CENTRAL PUBLIC ADMINISTRATION REFORM IN THE REPUBLIC OF MOLDOVA: EVALUATION OF THE IMPLEMENTATION PERFORMANCES
Central Public Administration Reform in the Republic of Moldova: Evaluation of the Implementation Performances

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The views expressed in this study are solely those of the authors and do not necessarily reflect the opinion of the financing institution.

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<tbody>
<tr>
<td>APA</td>
<td>Academy of Public Administration</td>
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<td>CPAA</td>
<td>Central Public Administration Authorities</td>
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<td>FA</td>
<td>Functional Analysis</td>
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<td>RIA</td>
<td>Regulatory Impact Analysis</td>
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<td>CPA</td>
<td>Central Public Administration</td>
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<tr>
<td>ALRC</td>
<td>Agency for Land Relations and Cadastre</td>
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<td>AMR</td>
<td>Agency of Material Reserves</td>
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<tr>
<td>ASM</td>
<td>Academy of Sciences of Moldova</td>
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<td>PBB</td>
<td>Programme-Based Budget</td>
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<td>NBS</td>
<td>National Bureau of Statistics</td>
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<tr>
<td>CAPC</td>
<td>Centre for Analysis and Prevention of Corruption</td>
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<td>CA</td>
<td>Court of Accounts</td>
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<tr>
<td>CCECC</td>
<td>Centre for Combating Economic Crimes and Corruption</td>
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<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
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<td>ICSP</td>
<td>Inter-ministerial Committee for Strategic Planning</td>
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<td>NCAA</td>
<td>National Council for Accreditation and Attestation</td>
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<td>NCCO</td>
<td>National Certificate of Computer Operation</td>
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<td>NCFM</td>
<td>National Commission for Financial Market</td>
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<td>SC</td>
<td>State Chancellery</td>
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<td>PAMED</td>
<td>Policy Analysis, Monitoring and Evaluation Division</td>
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<td>PPD</td>
<td>Personnel Policy Division</td>
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<td>GD</td>
<td>Government Decision</td>
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<td>PI</td>
<td>Performance Indicator</td>
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<tr>
<td>MD</td>
<td>Ministry of Defence</td>
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<tr>
<td>MFAEi</td>
<td>Ministry of Foreign Affairs and European Integration</td>
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<td>MIA</td>
<td>Ministry of Internal Affairs</td>
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<td>MAFI</td>
<td>Ministry of Agriculture and Food Industry</td>
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<td>MC</td>
<td>Ministry of Culture</td>
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<td>MRDC</td>
<td>Ministry of Regional Development and Constructions</td>
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<td>MCT</td>
<td>Ministry of Culture and Tourism</td>
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<tr>
<td>MEc</td>
<td>Ministry of Economy</td>
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<td>MEd</td>
<td>Ministry of Education</td>
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<td>MF</td>
<td>Ministry of Finance</td>
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<td>PFM</td>
<td>Public Finance Management</td>
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<td>MJ</td>
<td>Ministry of Justice</td>
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<td>MEnv</td>
<td>Ministry of Environment</td>
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<td>MLSPF</td>
<td>Ministry of Labour, Social Protection and Family</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<td>MH</td>
<td>Ministry of Health</td>
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<td>MICT</td>
<td>Ministry of Information and Communication Technologies</td>
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<td>MTRI</td>
<td>Ministry of Transport and Road Infrastructure</td>
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<td>MYS</td>
<td>Ministry of Youth and Sports</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>IDP</td>
<td>Institutional Development Plan</td>
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<tr>
<td>PGO</td>
<td>Prosecutor General’s Office</td>
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<td>CPAR</td>
<td>Central Public Administration Reform</td>
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<tr>
<td>D/D</td>
<td>Department/Division</td>
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<tr>
<td>SIGMA</td>
<td>„Support for Improvement in Governance and Management” Programme</td>
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<tr>
<td>ISS</td>
<td>Intelligence and Security Service</td>
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<td>NDS</td>
<td>National Development Strategy</td>
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SCPAR  Strategy for Central Public Administration Reform
IT     Information Technology
ICT    Information and Communication Technologies
EU     European Union

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INTRODUCTION

In the Republic of Moldova, the Central Public Administration Reform (CPAR) started in 2006. The goal of the reform is to establish a modern and efficient central public administration system, in accordance with the principles of good governance in member countries of the European Union and Council of Europe. This implies achieving, at optimal costs, a better performance in the administration, which would take into account the citizens’ interests and rights. As a result of the Reform, the central public administration is expected to become more innovative, flexible and efficient, its operations will be public and transparent, and accountability mechanism will allow obtaining its positive image.

The implementation of the CPA reform is based on the policy paper “Strategy for Central Public Administration Reform in the Republic of Moldova” approved in 2005. Originally, the implementation period established in the paper was 2006-2008. But at the end of 2008 it was decided to continue the reform actions, although a new action plan for its implementation had not been adopted yet, and the old one had not been updated. Thus, the period of implementation of the CPA Reform is not currently defined.

As a policy paper, in line with the Chapter IV Approval and monitoring of policy papers of the Government Decision no. 33 of 2007 on rules of development and unified requirements for policy documents, the CPAR Strategy is constantly monitored and monitoring reports are prepared. The CPAR Strategy implementation process is constantly monitored by the State Chancellery, which aims at formulating conclusions and recommendations and submitting them to the Inter-ministerial Committee for Strategic Planning (ICSP). However, ICSP activity, including its contribution to monitoring the implementation of the CPAR Strategy, remains barely known to the public. Also, the annual reports prepared under the coordination of the Policy, Strategic Planning and External Assistance Division and the Personnel Policy Division of the State Chancellery of the Republic of Moldova address only the views of governmental institutions on the implementation of the reform process and its outcomes.

To ensure unbiased and impartial approach, it was decided to carry out an external evaluation of the implementation of the CPA Reform, based on an alternative methodology developed by independent experts. The need for independent monitoring and evaluation was determined at least by three factors: (1) The monitoring and evaluation of central public administration reform was performed only by representatives of the Government Office (since 2009, the State Chancellery) based on the methodology of monitoring and evaluation of the central public administration reform, prepared in 2006; (2) approaches and assessments made based on the methodology had a predominantly quantitative nature; (3) Section 39 of the Government Decision no. 33 of 2007 on rules of development and unified requirements for policy documents, stipulates that "a quantitative (statistical) and a qualitative (with impact assessment) mechanism shall be applied in the monitoring of policy papers, thus ensuring full and consequent policy implementation".

Considering these factors, in April 2010, an independent group of experts, at the initiative and with financial support from the Soros Foundation Moldova, launched the report "Performance Evaluation in the Implementation of the Strategy for Central Public Administration Reform in the Republic of Moldova".

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Moldova”. The report highlighted the results, successes and failures of the CPA Reform in 2006-2008 and partially in 2009. The report concluded that "the Strategy objectives were partially achieved and the impact of actions taken on the central public administration was moderate". At the same time, the experts recommended that the central public administration reform be continued and proposed a series of actions that can contribute to increasing the positive impact of the reform.

This paper is a follow-up of the report prepared in 2010 and aims at assessing the results achieved in implementing the Central Public Administration Reform from October 2009 to November 2010, and formulating recommendations on enhancing the impact of the reform. It is based on the same drafting principles, methods and mechanism as the previous report. However, this report is a distinct and specific paper based on the following features:

**Monitoring and evaluation period.** The report evaluates the central public administration reform actions carried out from October 2009 to November 2010.

**Actions monitored and evaluated.** CPAR Strategy Implementation Plan was designed for a period of three years (2006 – 2008), and was implemented through annual plans for implementation of the central public administration reform, approved by Government Decisions. The plans contained the most important aspects of the reform process, specific objectives, planned actions, implementing timeframes and entities responsible for implementation. Ministries and other central administrative authorities included actions related to the CPA Reform in their action plans. In 2009, the period of the CPAR Strategy Action Plan was extended and activities originally stipulated in the Annex to the Strategy were updated and were implemented in accordance with the Government Decision no. 191 of 25.02.2008 "on approval of the Action Plan for Implementation of the National Development Strategy of the Republic of Moldova for 2008-2011", Government Decision no. 87 of 02.04.2009 on approval of amendments to the Government Decision no. 191 of 25.02.2008 and the Government Activity Programme. In 2010, the CPA reform actions were carried out according to the Government Decision no. 194 of 18.03.2010 on approval of the Government Action Plan for 2010. Thus, the report covers a wide range of activities stipulated not only in the CPAR strategy, but also in government regulations approved in 2009 and 2010.

**Monitoring and evaluation methodology.** In preparing the report, the following was taken as basis: Methodological guidelines for evaluation of the CPA reform in the Republic of Moldova, a paper prepared in 2009 by a group of independent experts with the support of the Soros Foundation Moldova, suggestions made by experts from the Public Policy Centre Providus (Latvia); Methodology for monitoring and evaluation of the Central Public Administration Reform in the Republic of Moldova, prepared by the CPAR Coordination Unit, similar methodologies developed in Central and Eastern European countries and other reference sources. Given that in the years 2009 and 2010 the CPA Reform priorities were changed and new objectives and activities of the CPA Reform were defined, Methodological guidelines were updated. The updated methodology (Annex 1) includes the following major elements:

- Evaluation framework contains a set of indicators to assess the results and impact of the CPA Reform according to reform components, objectives and actions planned for 2009-2010;
- Methods and tools for collecting and analyzing the information required to evaluate the reform;

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7 The authors of the Methodology received consultancy assistance and training from experts of the Public Policy Centre Providus (Latvia) during the seminar held on 25-26 February 2009.
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- The schedule for implementation of the evaluation process representing the schedule for evaluation of reform results.

Evaluation methods and stages. Activities to prepare and conduct the evaluation were conducted from October to December 2010. The report was written from January to February 2011.

Evaluation methods were as follows:
1. Adjusting the evaluation questionnaire;
2. Collecting data and information;
3. Interviewing of public servants and evaluation in the institutions;
4. Desk evaluation (working with documents selected from official sources);
5. Drafting of the report.

The target group of the evaluation consists of public servants employed in the CPAA and directly involved in carrying out the actions of the central public administration reform. The team of experts visited the divisions and departments of the institution/authority under evaluation from November to December 2010. Questionnaires were filled in and interviews were conducted on a sample of 283 public servants from the central apparatus of 22 central public administration authorities and subordinated institutions (of a total of 2721 public servants).

The designed sample covered 400 questionnaires that were distributed in 29 central public administration authorities. Following the reorganization in late 2009 - early 2010, some institutions were transferred under the Parliament or other Ministries (e.g. the Border Guard Service, the National Commission for Financial Market or the Agency for Material Reserves). This has lead to a certain reluctance to participate in interviews. Also, some institutions, such as ISS or CCECC, did not participate in surveys, given their special status.

Interviews were conducted in the premises of the CPA entities. The absolute majority of questionnaires were completed directly by each official. "Face-to-face" interviews were conducted in about 20% of questionnaires.

The questionnaire used for interviews is comprehensive, consisting of five chapters that include both closed and open questions. The questionnaire was adjusted based on the questionnaire used in drafting the 2010 Evaluation Report. Questions refer to each component of the CPA Reform and a section is assigned for general information about the respondent. The sample structure is as follows:

a) Women - 39.7%, men - 60.3%.

b) Age of respondents: under 30 years - 34.6%, 31-50 years - 51.6%, over 50 years - 13.8%.

c) Work experience with the CPAA: under 5 years - 41.7%, 6-14 years - 35.3%, 15 and more years - 21.9%.

d) Supervised employees. No supervised employees - 57.6%; Yes, employees of 1 division - 19.1%; Yes, employees of 1 department - 18.7%; Yes, employees of several departments/divisions - 2.8%.

e) Education. Special secondary (college) - 1.4% higher (university) - 59.4%, Master’s degree - 33.2%; Doctor’s degree - 5.7%.

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8 Specific target groups are mentioned in the description of each indicator presented in Chapter III System for evaluation of components of the Central Public Administration Reform in the Republic of Moldova of the Evaluation Methodology in Annex 1.

9 The number of interviews processed for each institution where these were conducted is presented in Annex 3.

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f) Subdivision of interviewees. PAMED - 16.3%; Legal Department/Division - 9.2%; HR Department/Division - 10.6%; Administrative/Finance Department/Division - 9.5%; other departments/divisions - 54.4%.

Data was subjected to quantitative and qualitative analysis. Questionnaires were processed using SPSS. Data from the questionnaires were supplemented with additional information obtained during interviews.

After receiving the completed questionnaires (on paper), the following activities were conducted:

1. Numbering of questionnaires: Each questionnaire was assigned with a unique code, which contains the abbreviation of the institution and the serial number of the interview conducted in that institution. E.g. mys9 is the ninth interview conducted at the Ministry of Youth and Sports.

2. Data encoding: each response option to questions contained in the questionnaire received a unique numeric code;

3. Database development: to process the data a database was created in SPSS. Each question or sub-point in case of twofold questions received one variable (column) where codes of response options were introduced. The name of each variable is composed of the serial letter of the block of questions which is also common to the serial number of the question in that block. E.g. B4 is the question number 4 in block B (Reorganization of CPA);

4. Checking the accuracy of processing;

5. Developing output tables. Data was processed with SPSS software. Response options to each question were presented in a table that contained: general distribution (in the entire sample) and distribution within distinct groups of respondents (clusters). Clustering was performed by the characteristics of the respondents, as noted in Section A – General characteristics of the respondents.

Given the small size of the sample, the maximum error margin for the results reported for entire sample is ± 4.9%. Information contained in this study refers directly to the situation in December 2010.
Executive Summary

This study reflects the findings of the evaluation of implementation of the Central Public Administration Reform in Moldova from October 2009 to November 2010.

The evaluation was conducted by an independent group of experts under the coordination of the Business Consulting Institute. The purpose of evaluation is to determine the extent of achievement of objectives set out in the components of the central public administration reform and formulate recommendations for further implementation of the reform.

The study concludes that the CPA Reform objectives set for the period under review have been achieved "partially" and the impact of the implemented actions on the organisation and functioning of central public authorities is assessed as "satisfactory".

Thus, in the period under review, the CPA reform was continued as a distinct objective of the new government’s activity programme. However, approaches to the content and the manner of implementation of the central public administration reform were, to a great extent, different from the previous ones, as they were determined by the objectives of political parties who formed the governing coalition in autumn 2009, as well as by their views on the central public administration system. Thus, the Strategy of Central Public Administration Reform was not a reference policy paper for the CPA Reform. Most of the reform objectives have been substantially amended, reformulated or substituted through various regulations and, in some cases, they turned more ambitious than those in the CPAR Strategy.

All actions taken during the period under review testify to the fact that the implemented activities contributed to modernization of the central public administration and had a positive impact. The greatest successes of the CPA Reform are as follows:

- Continuation of the CPA Reform, as a distinct objective of the new government’s activity programme, with concrete activities and actions, performance indicators and ongoing monitoring and evaluation system.
- Following the implementation of reorganisation actions, a formal separation of policy development functions from policy implementation functions was completed, the latter being transferred to the subordinate public institutions. Thus, one of the three objectives of the component "CPA Reorganisation" of the CPA Reform Strategy was formally fully achieved.
- In the period under review some successes were noted in implementing Institutional Development Plans.
- Development and approval of methodological norms on unified requirements and rules for drafting policy documents.
- Facilitation of stakeholder participation in developing, implementing, monitoring, evaluation and updating of strategic planning documents was initiated and its results will be evaluated at the beginning of 2012.
- During the period under review, the measures developed in the area of human resources management focused on a more sensitive review of the situation in this area, using comprehensive monitoring and evaluation tools with a high degree of transparency and objectivity.
- Implementation of the automated information system "Register of public functions and civil servants" remains a paramount issue on the Government’s agenda, since it is a basic tool for effective registration and planning of human resources.
- The reporting system was simplified, and some reports have indicators of efficiency of financial resources.
Activities were carried out to streamline the tools for coordination of policies with the budget planning process.

Actions were initiated to restrict new objectives, without financial coverage.

The share of programme-based public budget funds slightly increased. It is also recommended to review their implementation and their quality.

At the same time, the findings of the evaluation of reform actions show that, in the period under review, a whole series of planned actions did not produce expected results and had no impact on the creation of an effective central public administration. The failures of the CPA Reform are as follows:

- During the period under review, there was a lack of a well-defined medium-term vision on the organization of the central public administration, reorganisation actions, methodological substantiation, implementation and purpose of this process.

- Following the implementation of major reorganisation actions, the structure of central public administration was substantially changed, as the roles and responsibilities of the CPA were redefined and redistributed. During this restructuring process, the recommendations of functional analysis conducted in 2006 were scarcely used as a basis for reorganisation decisions taken in the period 2009-2010. However, the reorganisation actions generated a new situation in terms of distribution of functions, when most recommendations of the previous functional analysis have become irrelevant.

- The effects of reorganisation actions were not uniform. According to civil servants, there is a need for new reorganisation actions, both in the central public authorities and in their subordinate institutions.

- During the period under review, the Institutional Development Plans (IDPs) did not have a significant role in the reorganisation process or strategic planning process. The Government’s initiative to replace them, starting with 2012, with Strategic Development Programmes left the implementation of IDPs to the discretion of the ministries.

- There is a modest success in the implementation of institutional development plans because the CPAA has an ambiguous perception of their importance and place in the hierarchy of planning documents and the lack of financial resources.

- Although the need for approval of the law on central public administration was much discussed and the draft law was consulted with experts from the OECD/EU SIGMA Programme and re-endorsed by the relevant central authorities, the law was neither finalized nor approved.

- The legal framework for ensuring transparency in the decision-making process still has deficiencies.

- Methodological norms on unified requirements and rules for drafting policy documents were developed and partially approved, but they are still at the stage of initiation of application. Access to these materials is an issue for civil servants. No training courses for the application of these norms have been conducted so far.

- The procedural norms for policy development, approval, monitoring and evaluation are not applied yet. Thus, many public policy documents do not contain any information (or contain partial information) about the costs of implementation, indicators and expected results, implementation tools or evaluation of alternatives and external risks. In general, the policy evaluation system is still at the pilot stage and its implementation is at the level of intentions.

- The IT system used in CPAA is underdeveloped. The CPAA continue the practice of processing the document flow manually in registers, which makes it more difficult to control the enforcement of regulatory acts.

- As revealed by the review of questionnaires, the absolute majority of civil servants do not think that their salary is decent and claim that this is a key factor that fosters corruption in the civil service. Thus, the reform of the civil service pay system remains a major priority of CPAA. Consequently, the failure to finalize the development of a new law on remuneration of civil servants does not allow establishing decent work conditions and attracting professionals in this area.
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- The analysis of the perceived quality of training programmes shows that a group of institutions that normally provide the largest amount of training services ranked among the less preferred training providers. Addressing the quality of training courses, assessment of the training needs, quality of training and trainers, training materials and the relevance of the proposed programmes will lead to a significant increase of their quality.

- The efforts aimed at establishing an efficient and sustainable system of interaction between the policy development process and the budget process did not produce visible results.

- The practice of reporting on the basis of indicators of efficiency of financial resources was not developed.

- The system of evaluating the performance of central public administration in relation to the amount of the allocated financial resources was not established, though stipulated both in the Strategy, and in the policy documents approved for the period under review.

- The strategic planning activities are not coordinated with the budget process at the CPAA level (PAMED, CPAA management, budget planning departments) due to the inefficient existing tools.

- The implementation of the programme-based budgets and their quality is either not reviewed or reviewed only in-house, as there are no reports on implementation of programme-based budgets.

Taking into account the conclusions outlined above, the independent group of experts formulated the following recommendations aimed at guiding the future actions of CPA reform to ensure stronger effects of these actions:

- Repeal the Strategy of Central Public Administration Reform as an outdated document.

- Conduct a new functional analysis of the central public administration to identify the major problems affecting its activity, reformulate the objectives of CPA reform and perform a cost-efficiency analysis for CPA.

- On the basis of these analyses, develop a new document on the CPA reform to clearly define: the concept and activities for the reorganisation, enhancement and simplification of the decision-making process, and for ensuring an effective management of human resources and public finances.

- Finalize and approve the Law on Central Public Administration.

- Strengthen the capacity and ensure the central role of the policy analysis, monitoring and evaluation units in the process of conceptualization of reorganisations and developing strategic policies through support actions by the Government and the State Chancellery.

- Approve procedural norms for policy development, approval, monitoring and evaluation.

- Develop the skills for the application of methodological norms on unified requirements and rules for drafting policy documents based on the provisions of the new Regulation on the development, approval, monitoring and evaluation of policy documents.

- Evaluate the activity of the institutional framework for the coordination of public policies and strategic partnership structures between the Government and the civil society.

- Amend the law on transparency in decision-making process.

- Approve the Regulation on procedures for ensuring access to information aimed at uniform application of the Law no. 982-XIV of 11 May 2000 on access to information.

- Establish an integrated information management system in the Government.

- Develop an IT platform for the use of intranet as a common method of communication between Directorates and planning of working meetings.

- Establish an IT service in charge of performing an IT audit and ensuring information security.

- Establish special functions of the ICT implementation manager in public institutions.

- Reform the civil service pay system, finalize the drafting of the new law on remuneration of civil servants to ensure decent salaries for civil servants and attract professionals in this area.
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- Synchronize the civil servants’ performance evaluation process with the reform of the civil service pay system.
- Continue the use of tools for monitoring and evaluation of human resources, while ensuring transparency and objectivity.
- Review approaches used in training programmes by conducting more detailed studies to assess the training needs, thorough assessment of quality of training and trainers, training materials, the relevance of the proposed programmes, which will ensure their higher quality.
- Extend the civil servants’ information and communication activities relating to new tools implemented in HRM, so that large-scale information is applied not only for the human resource service staff, but also for all interested civil servants.
- Replicate methods to attract skilled personnel and establishment of professional civil service staff through transparent methods of selection, efficient training and information on the role of assessment procedures and measures for their correct implementation.
- Finalise the implementation of the "Register of public functions and civil servants" and further develop the statistical indicators system that will serve subsequently to complete the AIS.
- Apply the experience of using indicators of efficiency of financial resources from NDS for major national policy papers.
- Establish the CPA performance evaluation system in relation to the amount of allocated financial resources, which would include the vision, constituents, implementation tools and methods to analyse data and/or results.
- Increase the efficiency of CPAA SDP and the role of PAMED and budget planning departments in coordinating policies with the budget process at the level of CPAA.
- Develop the capacity of budget planning, development and implementation of programme-based budgets, including through implementation of retraining courses, increase the capacity for analysis, evaluation and reporting on the implementation of the programme-based budgeting.
- Create mechanisms to adjust programme-based budgets and performance-based budgets with linear budgets used at present, as a priority to ensure a higher number of programmes and greater amount of public expenditure allocated to budgets based on performance and programmes.
CHAPTER 1. COMPONENT I. REORGANIZATION OF CENTRAL PUBLIC ADMINISTRATION

1.1 INTRODUCTION

The reorganization of central public administration is the key element of CPAR, the successful implementation of this element conditions to a great extent the success of reforms provided for in other components of CPA reform, like decision-making process, human resources management and public finance management.

The functional analysis of central public administration, conducted during 2003-2004, revealed, in the Strategy for Central Public Administration Reform, the most important issues, affecting the functionality of central public authorities as a whole:

- Arbitrary assignment of functions;
- Duplication of functions in CPA authorities;
- Fulfilment of improper functions;
- Excessive share of ad-hoc actions;
- Combination of policy development functions and policy implementation functions;
- Lack of activity coordination between de-concentrated public services;
- Legislation gaps.\(^\text{11}\)

To settle these issues, the Strategy of CPA reform of 2005 fixed the following objectives for component „Reorganization of CPA“:

- Functional and institutional optimization of Central executive authorities;
- Separation of policy development functions from policy implementation functions, including by transferring executive functions to bodies subordinated to ministries;
- Focusing of the specialized central public administration authorities on the development and strategic coordination of sector policies.

During 2006-2008, the Government, based on provisions of the Strategy, carried out nearly 200 actions of reorganization, focusing on: modification of the structure of the executive branch and reorganization of specialized central bodies by amending the mandate, structure, personnel list, by adjusting functions and structures to objectives of main strategic documents.

The reorganizations lead to modifications in the structure of the central executive branch “by redistributing functions and structures of central public authorities, by adjusting them to objectives of main public strategic documents, through eliminating duplication of functions, by separating areas of expertise, by concentrating functions related to the development of policies in ministries and functions related to policy implementation in subordinate public institutions.”\(^\text{12}\) Following to reorganization actions, the personnel list of central offices increased with 128 units (4.94%) and accounted for 2721 units on 01.01.2009, while the personnel list of subordinate public institutions reduced with 5178 units (29.5%) and accounted for 12355 units on 01.01.2008.\(^\text{13}\)


\(^{13}\) Idem.
But these actions resulted only in a partial settlement of issues identified during the initiation of the CPA reform and a partial achievement of each of the three objectives of the component „Reorganization of CPA“.

The analysis of results achieved within the CPA reform during 2006-2008 on the component „Reorganization of Central Public Administration“ allowed identifying certain major deficiencies, which affected the process of implementation of the Strategy for Central Public Administration Reform and explain the partial achievement of objectives:

- The succession and logical structure of reorganization actions were affected by the lack of decisions on the implementation of recommendations of the Functional Analysis, which is a key element in the logical structure of the process of reformation and substantiation of reorganization actions. This fact compromised the results of the Functional Analysis and affected many of further decisions, which aimed at institutional and functional optimization of CPA.
- Decisions of reorganization and functional optimization, as well as decisions of personnel optimization, implemented during this period, were, altogether, scarcely coordinated with recommendations of the functional analysis and, mainly, were conditioned by arbitrary political objectives.
- Selective and arbitrary implementation of recommendations of the functional analysis, together with the implementation of certain reorganization actions, based on political reasons, created a new situation concerning the duplication of functions and assignment of improper functions, which imposed the need for a repeated implementation of a functional analysis.
- Subordination to ministries of all authorities dealing with implementation of policies and provision of services was not finalized, mainly due to the lack of legal background for the organization and functioning of central public administration.
- Cases of combination of functions of sector policies development with functions of policy implementation, regulation of provision of services and functions related to commercial activity, persisted in public administration.
- Creation of divisions/departments of policy analysis, monitoring and evaluation in 14 ministries and 3 central public authorities, as well as of the Division for analysis of policy coordination within Government Office, didn’t have any immediate impact on dramatically improving the process of strategic planning. This result was conditioned by delays in the development of the methodological framework and personnel training, and also by the continuation of the practice to involve these subdivisions for other functions than strategic planning and policy coordination.
- Frequent modifications in the structure of public authorities and regulation framework carried out during this period, as well as deficiencies of an underdeveloped system of coordination, affected the sustainability of the process of development and promotion of public policies and achievement of planned goals in strategic documents (Millennium Goals, National Development Strategy, Action plan European Union – Republic of Moldova).14

Following the analysis of results achieved within the CPA reform during 2006-2008 on the component „Reorganization of Central Public Administration“, the following main recommendations were formulated:15

- Continuation of actions of institutional and functional optimization of the Central executive branch for „redefining functions and structure of central administration, in a systemic approach, based on criteria of mutual complementarity and managerial efficiency“16

15 Idem.
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- Compliance with the logical framework of implementation of the CPA reform and implementation of the functional analysis in order to achieve planned results and settle identified issues.
- Strengthening Government’s capacity to plan and coordinate the reformation process, to ensure the continuity of fulfilling long-term assumed obligations.
- Strengthening capacities for development and implementation of policies by reinforcing the policy coordination analysis unit within the State Chancellery and Policy Analysis, Monitoring and Evaluation Divisions in various ministries;
- Adoption of the Law on central public administration, which would exclude combination of functions of policy development and policy implementation, of regulation and provision of services and would assign policy development functions only to ministries, by subordinating other central public authorities to ministries.
- Modification of all Regulations of organization and functioning of central public administration authorities, following the adoption of the Law on central public administration.
- Continuous training of officials from ministries.

1.2 Objectives of the Reorganization Process during Evaluation

In the period under review, (October 2009 – November 2010), central public administration reform was continued as a separate objective of the new government’s activity programme17. However, approaches to the content and the manner of implementation of the central public administration reform were, to a great extent, different from the previous ones, as they were determined by the objectives of political parties who formed the governing coalition in autumn 2009, as well as by their views on the central public administration system.

Thus, the Strategy of reformation of central public administration was not a reference strategic paper for the Government Programme or the Action Plan of the Government for 2010. On the other hand, during the period under review, Objective 1 of the component „Reorganization of Central Public Administration” – Institutional and functional optimization of central executive branch – was substantially reformulated, compared to terms stipulated in the Strategy for Central Public Administration Reform, by providing for in the Government plan the objective „Deep restructuring of central public administration in the purpose to create an efficient, functional and sustainable institutional framework, dedicated to the rule of law and provision of quality public services.”18

This reformulation, as a fact, represented a drastic revision of results achieved at the moment in the process of institutional and functional optimization of the Central executive branch and initiation of a series of new actions, much more ambitious, in the purpose to modify organization structures, redistribute functions, and review internal organization.

To this effect, priority actions for „Central public administration reform”, concentrated in the component „Institutional re-structuring”, stipulated:

- Restructuring of ministries, agencies and other institutions subordinated to the Government in the purpose to liquidate low-efficiency public authorities, streamline functional activities and reduce administrative expenditures;
- Continuation of the process of internal reorganization of central public authorities based on the elucidation of objectives and evaluation of resources available to the authority, according to the plan of institutional development;

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18 Idem.
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- Regulation of administrative organization and procedures according to good European practices of decentralization and de-concentration, by adopting new legislative and regulatory acts on central public administration and administrative procedures.
- Institutionalizing the Government representative at territorial level, regulating the appointing procedure, the activity and dismissal procedure, functions and responsibilities, as well as relationships with autonomous local public authorities;
- Legislative regulation of relationships, rights and obligations of local public authorities and field services.\(^{19}\)

However, a series of other actions, for the reorganization of central public administration, were planned, with reference to the implementation of other objectives, like, for instance, „De-concentration of public services and restoration of the territorial office of the Government”, or with reference to implementing the action „Development and implementation of a programme of complex reformation of public services”, or with reference to implementing the action „Building the rule of law”. The latter, in this respect, contains complex reformation actions of the Ministry of the Interiors and subordinate institutions, of the Service of Information and Security and of the Centre for Combating Economic Crimes and Corruption.

Thus, during the period under review, the central public administration reform continued as a separate objective on the list of government priorities, while objectives of the CPA reform, on the component „Reorganization of central public administration”, with the substitution of the objective „institutional and functional optimization” by the objective „deep reorganization”, turned more ambitious than those from the previous period.

This conclusion is confirmed also by the analysis of priority actions, stipulated for the implementation of this objective, which, besides restructuring actions, also involve „continuation of the process of internal reorganization ... according to the Institutional Development Plan”. Thus, objectives of the Strategy for Central Public Administration Reform on the component „Reorganization of CPA” are only partially reflected in the Government Action programme for 2009-2013 and in the Action plan for 2010.

However, as to the substantiation of restructuring /reorganization actions, internal reorganization actions would find substantiation in institutional development plans. But neither the Government plan, nor the Action plan contain references concerning ways and/or tools for assessing the efficiency of CPA institutions, in order to liquidate them, and of substantiation of functional optimization activities, leaving the Government to decide upon these, as appropriate.

### 1.3 Implementation of the Process of CPA Reorganization During 2009-2010

#### PI. Share of reorganization decisions based on recommendations of functional analysis

The implementation of certain substantial reorganization actions, related to CPA reform, was initiated from the beginning of the government period, with the amendment of the Law on Government\(^{20}\). This law changed substantially the structure of central public administration, by redefining and redistributing ministry’s roles and responsibilities.

Thus, the Ministry of Reintegration (roles and functions assigned to an office within the State Chancellery) and the Ministry of local public administration (control functions over the legality of acts

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\(^{20}\) Law No 21-XVIII of 18 September 2009 on the amendment of the Law No 64-XII of 31 may 1990 on Government.
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transferred to field offices of the State Chancellery, and functions related to regional development transferred to the Ministry of Construction and Regional Development) were excluded from the Government. The Ministry of Transports and Road Infrastructure was recreated (liquidated in 2008), and the Ministry of Education, Youth and Sports was divided into the Ministry of Education and the Ministry of Youth and Sports, by liquidating the Sports Agency.

Also, this Law provided for the reorganization of the Ministry of Economy and Trade into the Ministry of Economy (the Licensing Chamber was placed under this ministry’s control), the Ministry of Construction and Field Development was reorganized into the Ministry of Construction and Regional Development, the Ministry of Ecology and Natural Resources - into the Ministry of Environment (the Water agency was subordinated to this ministry), the Customs service was subordinated to the Ministry of Finance. This kind of actions of reorganization and redistribution of responsibilities were noticed in all other ministries. Within the same process, the Government Office was transformed into the State Chancellery, which took certain roles and responsibilities form ministries, in the purpose, according to statements, to reinforce the role of the Government Office. As a result, the number of ministries remained the same, and the number of administrative units subordinated directly to the Government was reduced from 13 to 8 units.

The substantiation of the parliamentary commission, stipulated in the informative note to the draft Law on the amendment of the Law No 64 of 31 may 1990 on Government, was quite short, referring to the need to conduct the public administration reform, internal evaluations and analysis, and less to recommendations of the functional analysis. Thus, the application of these recommendations tends to have little relevance, although the utility and relevance of the functional analysis as a decision reasoning tool is not questioned by central public authorities. Some of these (for instance, the Ministry of Finance) performs, with its own forces, actions of functional analysis of central authorities and subordinated institutions, in order to substantiate reorganization actions.

The restructuring was completed, mainly, only with the adoption of new, uniform regulations, stipulating the structure, the mission, basic functions, public policies development functions and personnel lists for each of the 22 (of 24) central specialized authorities. With the adoption of these regulations, a formal separation of CPA’s policy development functions from policy implementation functions was completed; the latter were transferred to subordinate public institutions. The adoption of uniform regulations can be considered a success of the reorganization process and represents the formal achievement of one of the major objectives of the Strategy for Central Public Administration Reform – separation of policy development functions from policy implementation functions.

PI. Public servants’ perception of reorganization actions implemented from October 2009 to November 2010

Public servants provide an ambiguous assessment of reorganization actions implemented from October 2009 to November 2010 (Figure 1-1). Thus, the share of public servants which believe that reorganization actions were reasonable (based whether on recommendations of the functional analysis, or on other analysis and internal needs) remained practically unchanged compared to results of the 2009 questionnaire (53.3% in 2009, 54.8% in 2010).

According to results of the questionnaire, 28.3% of interviewed public servants (compared to 21.2% in 2009) think that reorganization actions, implemented from October 2009 to November 2010, were based on recommendations of the functional analysis. However, the share of public servants, who think reorganizations were based exclusively on arbitrary political decisions, increased (from 16.5% to 19.8%) (Figure 1-2).

Also, the appraisal of effects of reorganization actions, and of the extent to which the institutional and functional optimization of central public authorities was implemented, is not uniform. The share of public servants, who think that new reorganization actions are to be conducted within CPA authority they are employed in, is quite high. Thus, according to results of the questionnaire, half (49.8%) of respondents stated that these actions are necessary to eliminate duplication/overlap of functions, 41.7% think that these actions are necessary to assign additional functions and 31.4% - to reduce administration expenditures (Figure 1-3).

The analysis of the questionnaire showed a difference of opinion in answering this question, in terms of functional responsibilities of respondents. Thus, 65.2% of PAMED representatives (compared to the average 49.8%) stated that reorganization actions are necessary to eliminate duplication/overlap of functions, and 57.7% of representatives of legal divisions/departments (compared to the average 41.7%) mentioned that reorganization actions are necessary to assign additional functions (Figure 1-3).
PI. Respondents’ perception of the need for certain reorganization actions

A suggestive indicator was the share of respondents, who didn’t have a strong opinion on the need for reorganization actions, in order to reduce administrative expenditures (46.6%) (Figure 1-3.). This quite big share suggests that, eventually, reorganization actions were not based on a comparative analysis of costs and expected efficiency and further reorganization actions need additional financial substantiation, an analysis of functions and efficiency as compared to their costs.

The appraisal of effects of reorganization actions and of the extent of institutional and functional optimization, in terms of subordinate institutions, isn’t, also, uniform. The share of public servants who think that, at this level, new reorganization actions must be conducted, remains quite big.

According to respondents’ perception, the need for reorganization actions within subordinate institutions has nearly the same features, 45.2% of respondents think that these actions are necessary in order to eliminate duplication/overlap of functions and 51.9% of respondents don’t have any clear opinion concerning the need for reorganization actions in order to reduce administrative expenditures (Figure 1-4).

Figure 0-4. Respondents’ perception of the need for reorganization actions within subordinate institutions

The questionnaire shows that public servants think it is necessary to continue implementing reorganization actions, both within the central public authority they work in, and within subordinate
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institutions. These results reflect the opinion about the restrained efficiency of reorganization actions taken during the period under review. However, following the adoption of the Law on central public administration, the eventual implementation of certain new reorganization actions would be necessary. The development of this draft law was a separate action during 2010.

PI. The share of policy development and coordination activities in the total number of activities conducted by public servants from central specialized authorities of public administration

Effects of reorganization actions, taken during October 2009 – November 2010, also received different appreciation, similarly as for the extent of achievement of the objective „focusing of the specialized central public administration authorities on the strategic development and coordination of sector policies“ from the component „CPA Reorganization“.

Despite the completion of the process of restructuring, of approval of uniform regulations and of formal separation of policy development functions from policy implementation functions, the respondents’ perception of the extent of focusing specialized central authorities on strategic development and coordination of sector policies, remained similar to previous years and under the expected level. Thus, public servants from central public authorities use on average 53.7% of their working hours for actions related to the development, coordination and monitoring of policies, the rest of the time (46.3%) is used for actions related to regulation, maintenance/support, service provision and other unspecified actions (Figure 1-5). These perceptions suggest the need for coordinate actions for strengthening internal capacities of central public authorities and raising their efficiency.

Figure 0-5. Respondents’ perception of the share of time used for diverse activities

Source: Author’s calculation, according to results of the evaluation questionnaire

PI. Public servants’ perception of the implementation of reorganization actions from IDP

During the period under review, Institutional development plans (IDP) didn’t play a significant role neither in the reorganization process, nor in the strategic planning process, and their implementation was left to the discretion of ministries. The implementation of reorganization actions included in Institutional development plans was also not a priority according to the perception of questioned public servants from central public authorities. Only one of ten public servants thinks that reorganization actions from the Institutional development plan had been completely implemented. However, the share of public servants, who stated they don’t know whether reorganization actions from IDP were implemented, is quite big (7.1%) (Figure 1-6). Thus, in terms of set objectives and terms, the level of implementation of reorganization actions from the Institutional development plan was quite low.
This situation was partially conditioned by the interruption of the process of coordinated development of action plans for the implementation of IDP, by the impact of the political factor prior to parliamentary elections of 2009 and by the political crisis which followed.

Although, according to interviewed public servants, institutional development plans were an extremely good idea, practice and experience, and the IDP itself - an extremely useful document of strategic planning in a complex planning process, neither the completion, nor the continuity of this process were identified among actions from the evaluation period.

In 2010, the Government initiated preparing actions for substituting Institutional development plans with Strategic plans and developed the draft „Methodology for preparation of strategic development programmes for central public administration authorities“. According to this draft paper, Strategic development programmes will be „the main document of managerial and strategic planning for the authority’s activity”.\(^{22}\)

Taking into account the experience accumulated during the development of Institutional development plans, the major challenge for the success of this Government’s initiative would be to make central public authorities assume the authorship of prospective strategic documents and ensure the continuity of actions and sustainability of this tool in the process of strategic planning as a whole.

### 1.4 Conclusions and Recommendations

The analysis of actions taken within the central public administration reform on the component „Reorganization of central public administration“ leads to the following conclusions:

- During the period under review the central public administration reform continued, as a separate objective of the new government’s activity programme. However, approaches to the content and the manner of implementation of the central public administration reform were, to a great extent, different from the previous ones, as they were determined by the objectives of political parties who formed the governing coalition in autumn 2009, as well as by their views on the central public administration system. Thus, the Strategy for Central Public Administration Reform was not a reference policy paper for the CPA Reform. Most of the reform objectives have been substantially amended, reformulated or substituted through

various regulations and, in some cases, they turned more ambitious than those in the CPAR Strategy.

- During the period under review, there was a lack of a well-defined medium-term vision on the organization of the central public administration, reorganization actions, methodological substantiation, implementation and purpose of this process.

- Following the implementation of major reorganization actions, the structure of central public administration was substantially changed, as the roles and responsibilities of the CPA were redefined and redistributed. During this restructuring process, the recommendations of functional analysis conducted in 2006 were scarcely used as a basis for reorganization decisions taken in the period 2009-2010. However, the reorganization actions generated a new situation in terms of distribution of functions, when most recommendations of the previous functional analysis have become irrelevant.

- Following the implementation of reorganization actions, a formal separation of policy development functions from policy implementation functions was completed, the latter being transferred to the subordinate public institutions. Thus, one of the three objectives of the component "CPA Reorganization" of the CPA Reform Strategy was formally fully achieved.

- The effects of reorganization actions were not uniform. According to public servants, there is a need for new reorganization actions, both in the central public authorities and in their subordinate institutions.

- During the period under review, the Institutional Development Plans (IDPs) did not have a significant role in the reorganization process or strategic planning process. The Government’s initiative to replace them, starting with 2012, with Strategic Development Programmes left the implementation of IDPs to the discretion of the ministries.

The analysis of actions taken as part of the central public administration reform for the component „Reorganization of central public administration” leads to the following recommendations:

- Repeal the Strategy for Central Public Administration Reform as an outdated document.

- Conduct a new functional analysis of the central public administration to identify the major problems affecting its activity, reformulate the objectives of CPA reform and perform a cost-effectiveness analysis for CPA.

- On the basis of these analyses, develop a new document on the CPA reform to clearly define: the visions, the concept and activities for the reorganization.

- Strengthen the capacity and ensure the central role of the policy analysis, monitoring and evaluation units in the process of conceptualization of reorganizations and developing strategic policies through support actions by the Government and the State Chancellery.
CHAPTER 2. COMPONENT II. DECISION-MAKING PROCESS.

1.5 INTRODUCTION

At the time the CPAR Strategy was adopted there were a series of gaps in decision making within CPAA: (i) lack of qualified staff at the ministries to perform strategic planning and prepare proposals for examination by the Government; (ii) the formal procedure for preparation of proposals to be submitted to the Government in a standard form was not observed; high attention was paid to the observance of deadlines to the detriment of quality, analysis and final purpose of the developed document; (iii) coordination between the ministries in the development of regulatory acts is poor due to the lack of capacities and time of the staff, which is often overloaded with unplanned (ad-hoc) activities; (iv) poor reporting system, etc.

In order to settle these issues, CPAR has identified Strategic Objectives and Priority Actions. The specific objectives set for 2006-2008 in terms of improving decision-making were:

- Enhancing capacity for developing sector policy papers and documents on analysis, monitoring and implementation of such policies in CPAA;
- Strengthening the planning and reporting system;
- Enhancing the quality of adopted documents;
- Introducing, in addition to project coordination process, the mechanism of consulting among CPAA;
- Introducing and using information and communication technologies.

An analysis of the actions undertaken within CPAR during 2006-2008 to increase capacity for developing sector policy papers and documents on analysis, monitoring and implementation of such policies in CPAA revealed that the objective of CPAR “Increasing the capacity for developing sector policy papers, documents on analysis, monitoring and implementation of such policies in CPAA” has been partially achieved.

Therefore, one of the major objectives of the Central Public Administration Reform for the period under review was to establish a modern mechanism for development and adoption of decisions based on efficiency, effectiveness and transparency principles. During October 2009 – November 2010, the Government took a series of measures meant to contribute to enhancing the quality of decisions taken by CPAA, facilitating access to information, strengthening and expanding participation of the civil society in decision-making.

CPAR objectives for 2009-2010 were to:

- Enhance decision-making process, strengthen the functions of policy analysis, monitoring and evaluation, and optimizing the reporting process(2009)24;
- Ensure a transparent, fair and efficient decision-making process (2010)25.

The decision-making process includes planning of public policies and development, approval, implementation and evaluation of such policies. During 2009-2010, CPAR objectives and the actions

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taken to implement such objectives have ensured sustainability of the results and the undertaken actions.

Amendment of the legal framework, development of methodological materials, organization of trainings and strategic planning of the CPAA activity are some of the actions undertaken by the Government in order to improve decision-making, strengthen the functions of policy analysis, monitoring and evaluation and optimize the reporting process. The purpose of this analysis is to assess the results achieved during the reform of the decision-making process.

The results of CPAR have been identified through surveys and interviews of CPAA employees, analysis of a number of legal and regulatory acts, policy papers, and national reports, following which findings have been formulated and final recommendations made.

The progress made by the public authorities in the CPAR reform was also assessed based on the findings formulated in the Report “Evaluation of Moldova Central Public Administration Reform Strategy Implementation Progress”, developed with the support of Soros-Foundation Moldova in 2010. The main findings were as follows:

- By 2010, no methodological material needed for the development of policy papers was approved. The lack of methodical documents puts serious barriers to the operation of the strategic planning system, or, the development of methodological materials and monitoring of their proper use are factors that eventually determine the quality of the policy documents.
- No standard planning and reporting system has been implemented in the central public administration, which would enable a switch from the activity-based to the result-based reporting system.
- No new mechanism of consulting among the central public administration authorities has been implemented.

During 2009-2010, the Government carried on the central public administration reform, including on the component “Decision-Making Process”, which refers to the standard stages of policy development and implementation and document management. For 2009, the major objective of CPA reform on the component “Decision-Making Process” was to “strengthen the decision-making process, consolidate the functions of policy analysis, monitoring and evaluation”. This objective had to be achieved through the following actions:

In 2009:

- Developing and adopting methodological and training materials on decision-making for the public servants;
- Optimizing the existing monitoring and reporting system\(^{26}\).

Due to such actions, the quality of policy papers was expected to improve.

In 2010, the objective was different – to secure a transparent, fair and efficient decision-making process. This objective had to be achieved through the following actions:

- Ensuring implementation of the regulatory framework on transparency in decision-making process;
- Strengthening the central public administration authorities’ capacities of decision-making and conducting ex-ante public policy impact analysis;
- Revising and amending the methodology/guide on drafting and updating institutional development plans and setting monitoring indicators;

\(^{26}\) Government Decision No. 87 of 4 February 2009 on Approval of Amendments to the Government Decision No. 191 of 25 February 2009
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- Developing methodologies for revising and updating the Annual Government Activity Plan and the National Development Strategy by strengthening the link with the Medium-Term Expenditure Framework;
- Developing a training module on public policies, strategic planning, and decision-making process;
- Institutionalizing participation of non-government organizations in the development, implementation, monitoring and evaluation of public policies.

1.6 Enhancing Decision-Making Process

The achievement of CPAR objectives on the component “Decision-Making Process” for the period under review was assessed based on the performance indicators set in the Evaluation Methodology (see Annex 1) which relate to and comprise all the objectives set for years 2009-2010.

Pl. Provision of methodological materials and guidelines on decision-making process to public servants

In order to achieve the result set for the objective of CPA Reform on the component “Decision-Making Process” – enhancing the quality of policy documents, the Government approved the Decision on Policy Paper Development Rules and Standard Requirements in January 2007. This regulatory act provides for the conduct of ex-ante evaluation of the (social, economic, etc.) impact of the implementation of various public policies.

By February 2011, the State Chancellery finalized and approved the Methodological Guidelines on ex-ante analysis of public policy impact. However, the Guidelines do not include an exhaustive list of techniques for ex-ante evaluation of such impact, but only some selected available and applicable tools. The correct application of such Guidelines depends strongly on the analytical capacities of public authorities.

By early 2010, in the context of implementation of the central public administration reform, the State Chancellery developed the Methodological Guidelines on Decision-making. The document aims at improving the quality of governance by enhancing the content of public policies, optimizing the planning thereof, strengthening the link between planning of public policies and the budgetary process, enhancing the monitoring and evaluation of public policies. Unfortunately, these Guidelines have not been adopted so far and therefore, it is not applied in the development of policy papers.

The Methodological Guidelines on Ex-ante Evaluation of Public Policies was piloted in 2008 within five CPAA (Ministry of Economy, Ministry of Justice, Ministry of Education, Social protection and Family and Ministry of Health) in order to establish whether it is appropriate to make the enforcement of this document mandatory. Five public policies were developed and the ex-ante impact thereof has been assessed. The State Chancellery intends to make the enforcement of the Guidelines mandatory for all public authorities involved in the development of public policies, starting with the current year. Appropriate training of public servants would contribute to proper application of the methodological material and to improving the quality of public policy papers.

27 Government Decision No. 194 of 18 March 2010 on Approval of the Government Activity Plan for 2010
In 2010, the Methodological Instructions on Calculation of Indicators for Development of Public Authorities’ Reports on Ensuring Transparency in Decision-Making were developed.

Nonetheless, access to methodological materials and guidelines on decision-making is still a problem for the public servants of CPAA (Figure 2-1). Most of the public servants (over 60%) of CPAA have qualified access to methodological materials and guidelines on decision-making as unsatisfactory.

The development and promotion of the webpage [http://www.avempolitici.gov.md](http://www.avempolitici.gov.md) will allow the employees of CPAA to have broader access to useful methodological documents. It would also be useful to post a link to this site on CPAR webpage.

![Figure 0-1. Access of CPAA employees to methodological materials and guidelines on decision-making](image)

No procedural norms for the development, approval, monitoring and evaluation of policies have been approved yet. Thus, some of the public policy papers, such as the National Plan on Legal Approximation for 2010[^30], the Action Plan on Implementation of the Concept Paper on Judiciary Funding for 2010-2013[^31], and the National Action Plan on Protection of Children without Parental Care for 2010-2011[^32] do not contain (or contain only partially) information on the costs of implementation, indicators and expected results, the tools for implementation, evaluation of alternatives and of existing risks.

### 1.7 Ensuring a Transparent, Fair and Efficient Decision-Making Process

In 2008, the majority of CPAA prepared their own Institutional Development Plans (IDPs) for 2009-2011. However, there were some gaps during the preparation of these strategic planning documents. For instance, at the time the Institutional Development Plans were prepared, the funds planned to be allotted to CPAA had already been identified and set in the Medium-Term Expenditure Framework (MTEF). Actually, the Reports on CPAA Institutional Capacity Evaluation, which established the needs for training of public servants and/or technical equipment of CPAA failed to serve, as they were intended, to identifying the strategic objectives and priority areas/actions of institutional development. The strategic objectives set in the IDPs had already been included in the MTEF, since namely for these objectives there was actual financial coverage. Thus, the funds were distributed before identifying the needs.

[^32]: Government Decision No. 450 of 02.06.2010 on Approval of the National Action Plan on Protection of Children without Parental Care for 2010-2011, Official Gazette No. 87-90 of 04.06.2010.
The success in the implementation of the Institutional Development Plans is modest because CPAA has an ambiguous understanding of the importance and role of such plans among the planning documents, as well as because of the lack of financial resources.

II. Appraisal by public servants of the applicability of methodological materials and guidelines on decision-making process

In 2010, the Government evaluated the results and identified the problems in the implementation of Institutional Development Plans for the central public authorities. Following consultations with the stakeholders, the Methodology on Preparation of Long-Term Strategic Development Programmes for Central Public Administration Authorities was revised. Also, the draft Guidelines on Preparation of Strategic Development Programmes for the Central Public Administration Authorities were drafted and will be finalized after approval of the relevant Methodology by the Government.

However, most of the public servants of CPAA (including those of the Policy Analysis, Monitoring and Evaluation Directorates - PAMED) consider the usefulness of methodological materials and guidelines as being unsatisfactory (Figure 2-2).

![Figure 0-2. Usefulness of methodological materials and guidelines](image)

Source: Author’s calculations based on the results of the evaluation questionnaire

III. Level of coordination of policy papers with PAMED

Coordination of public policies with the stakeholders is an essential precondition for ensuring the quality and transparency of strategic planning documents. Therefore, the participation of stakeholders in the development, implementation, monitoring, evaluation and update of such documents should be encouraged. For this purpose, the National Council for Participation has been established. The Council drafts proposals regarding the national initiatives and strategic documents and submits them to the Inter-ministerial Council for Strategic Planning. In this context, the Prime Minister’s initiative to coordinate the Government Activity Programme with the members of the National Council for Participation is welcome and it reasserts the public authorities’ willingness to cooperate with the civil society.

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In order to establish an efficient communication system within the Government, increase access to public information and enhance Government’ interaction with the citizens and the civil society, as well as to secure transparency in the activity of central public administration authorities, the Government has approved the Decision on the Media Information and Communication Units of the Central Public Administration Authorities. The establishment of such units shall contribute to a clearer division of functions exercised by various employees of CPAA. Prior to the establishment of Media Information and Communication Units, these functions were assigned to the secretarial offices, the human resource (HR) divisions, etc.

Nonetheless, CPAA has to pay particular attention to improving Inter-ministerial communication. Over 40% of the interviewed public servants face difficulties in terms of access to the information sought or requested from another public administration authority (Figure 2-3).

The adoption of the Regulation on procedures for ensuring access to information aimed at uniform application of Law no. 982-XIV of 11 May 2000 on Access to Information, by establishing procedures on providing official information in order to guarantee the exercise of the right of access to information and facilitate citizens’ access to information and official documents.

**Figure 0-3. Access to information sought or requested from another public administration authority (%)**

![Figure 0-3](image)

Source: Author’s calculations based on the results of the evaluation questionnaire

**PI. Share of public servants who consider that the reporting system has been simplified**

Another objective of the Central Public Administration Reform is to make the reporting system more efficient. In 2009, the State Chancellery enhanced the reporting methodology, introducing a simplified reporting format in order to avoid duplication and diminish the information flow.

In 2010, the Study on Reporting Burden was developed. In addition, a standard model of reporting on the implementation of the above-mentioned strategic documents was developed and implemented. The majority (60%) of the interviewed public servants consider that the reporting period is quite sufficient (grades 3 and 4 on a scale of 1 – insufficient to 5 – sufficient/reasonable) (Figure 2-4).

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However, the reporting system is still inefficient and burdensome for the public servants. So far there has been no switch from the activity-based to a result-based reporting system. Currently there are few policy papers containing a clear monitoring and evaluation system that would simplify and streamline the reporting process.

**Figure 0-5. Average number of trainings attended by managers and ordinary employees of CPAA (2009-2010)**

Source: Author’s calculations based on the results of the evaluation questionnaire

**PI. Share of employees who attended trainings on strategic planning**

In 2009-2010, the State Chancellery ensured continuous training of public servants in strategic planning and policy implementation (Figure 2-5 and 2-6). Specific modules such as Public Policy, Strategic Planning, Policy Evaluation, etc. have been developed. About 400 public servants of CPAA have been trained. The courses were provided by the Academy of Public Administration.

**Figure 0-6. Average number of trainings attended by public employees in various directorates/divisions (2009-2010)**

Source: Author’s calculations based on the results of the evaluation questionnaire
A problem identified within the interviews was access of public servants from various CPAA units to training courses (Figure 2-7). It has been established that the public servants who are sent to training courses usually do not apply into practice the knowledge they acquire at such courses because of the job duties and the positions they have. In this context, CPAA has to assess the training needs of public servants and to secure access of the latter to constant training, by preparing annual training plans.

**Figure 0-7. Access of public servants to training courses**

Source: Author’s calculations based on the results of the evaluation questionnaire

With a view to securing a transparent, fair, efficient and effective decision-making process, a series of legal and regulatory acts have been developed, amended and completed. Particular attention was paid to the implementation of the Law on Transparency in Decision-Making Process; the Regulation on procedures for ensuring access to information was approved, and the Regulation on Publishing Information on Official Websites of the Public Administration Authorities was amended and completed.

### Pl. Share of policy papers developed by CPAA in consultation with the external stakeholders/decision-makers

The results of implementation of the Law on Transparency in Decision-Making Process are outstanding. In 2010, the specialized central bodies adopted about 660 public policy decisions with economic, social, financial, administrative and environmental impact. In addition, 720 draft public policy decisions were discussed with the civil society, which accounts for 83% of the total number of decisions adopted in 2010, as compared to 38% in 2009, when this consultation mechanism was introduced.

However, an analysis of the provisions of Law No. 239-XVI of 13.11.2008 on Transparency in Decision-Making and the Regulation on procedures for ensuring access to information adopted by Government Decision No. 96 of 16.02.2010, reveals some gaps which have led to deficient implementation thereof.

The following deficiencies could be established: although p. 17 (f) of the regulation provides that on the official websites of public authorities there should be sections dedicated to transparency in decision-making, which should include draft decisions and other related materials, as well as adopted decisions,

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35 Law No. 239-XVI of November 13, 2008 on Transparency in Decision-Making Process
the Law on transparency in decision-making process only provides for the following: “Public authorities shall secure access to draft decisions and related materials, in the way set by law”.

We may assume that stakeholders could follow the provisions of the Law on Access to Information, but this would delay access to draft decisions by at least 15 days, while the term for filing proposals to the draft decisions is maximum 15 days. In order to simplify access to draft decisions, Art. 10 of Law No. 239/2008 should be amended to provide expressly for the compulsoriness of posting draft decisions and informative notes on the official websites of CPAA.

Art. 12 (4) of Law No. 239/2008 provides for three parts of which the file on the development of draft decision should consist:
1. The minutes on consultations with citizens, the legally established associations and other stakeholders,
2. Recommendations received and
3. A summary thereof

However, Government Decision No. 96/2010, p. 38 contains a list of 6 parts: a) the announcement about the initiation of decision development; b) the announcement on the organization of public consultation; c) the decision draft; d) the materials related to the draft decision (informative notes, other relevant information); e) the minutes of the public consultation meetings; and f) the summary of recommendations received. Although this list appears to be exhaustive, the requirement of including in the file the recommendations received has been overlooked. Thus, the recommendations submitted in writing by the NGOs run the risk of not being included in the minutes developed by CPAA which developed the draft decision.

The abovementioned findings are also confirmed by other analyses on the efficiency of the decision-making process within CPAA. The Report on Monitoring of Observance of Transparency in Decision-Making, developed by the Association for Participative Democracy “Adept” in 2010 is an example in this sense.

**Pl. Share of computerized workstations within CPAA**

**Pl. Share of computerized workstations within CPAA having full access to Internet**

Streamlining of decision-making process is directly depending on the development of the information management system within CPAA. The official website of CPAA provides sufficient information about the activity of CPAA, while the intranet is underdeveloped and virtually does not secure the exchange of documents and information. At the same time, CPAA continues to process the document flow manually, on paper, which complicates the control over the enforcement of legislative and regulatory acts.

Public servants are provided with computers and access to internet. About 15 thousand computers are used in the public sector; however, these are obsolete and have to be replaced. The computers do not have licensed operational systems and do not allow installing and using Windows 7. This leads to instability of operation and represents a gap in terms of ensuring informational security both at individual workstations and within the LAN.

Nonetheless, in 2010, the Government ensured transparency in its activity. In August 2010, the Government established the Electronic Governance Centre, which is in charge of developing and implementing the e-Governance agenda that has to ensure sustainable development of the country. Through broad application of information technologies and communications, the institution intends to reform the public sector, improve the performance of authorities and the transparency of the government institutions, increase access to information and promote digital services (e-Services). The

40 www.egov.md
The expected result is to simplify the administrative procedures, reduce the costs, bureaucracy and corruption, and improve governance.

The establishment of an integrated information management system would create premises for streamlining the decision-making process and increasing its transparency. Given the complexity of managing and ensuring the operation the Government Integrated Information Space in optimal conditions (due to the complexity and high level of usage thereof), there is an obvious need of organizing an information system that could meet the requirements of the users and of the external environment.

The institutional capacity of IT units of CPAA is insignificant because of the small number and overload of the staff of these units. Therefore, it is necessary to conduct a thorough analysis of the role of IT unit in securing the operation of the information system and formulate recommendations on:

- The optimal organizational chart for the IT unit;
- Its functions and duties;
- The procedure for management of the quality of IT unit activities;
- The policy on involving external experts in the settlement of some complex issues;
- The policy on continuous staff training and certification

We consider there is an essential need in establishing an IT service in charge of performing IT audit and ensuring information security within CPAA. The anticipation of certain risk events and the mitigation of the negative impact of some factors that have a destructive effect on the informational system of CPAA will depend on the activity of this subdivision.

At the same time, not all public administration authorities have appointed persons responsible for ICT, which delays the process of modernization of the public administration authorities in view of alignment to the requirements of e-governance. As information technologies and systems become more important, there is an obvious need to establish some special managerial positions for implementation of ICT.

### 1.8 Conclusions and Recommendations

The analysis of the actions undertaken within the central public administration reform on the component “Decision-Making Process” leads to the following conclusions:

- The methodological norms on the rules for development and standard requirements regarding the policy papers have been developed and partially approved, but they are still at the initial stage of implementation. No trainings have been conducted yet on the implementation of these norms.
- The procedural norms for development, approval, monitoring and evaluation of policies are not being applied. Thus, many of the public policy papers do not contain (or contain only partially) information on the costs of implementation, indicators and expected results, the tools for implementation, evaluation of alternatives and of existing risks. On the overall, the policy evaluation system continues to be at the stage of testing and its application – at the stage of intentions.
- The facilitation of stakeholders’ participation in the development, implementation, monitoring, evaluation and update of strategic planning has already started; the results will be assessed at the beginning of 2012.
- The success in the implementation of Institutional Development Plans is modest because CPAA have an ambiguous understanding of the importance and role of such plans among the planning documents, as well as because of the lack of financial resources.
- The legal framework on securing transparency in decision-making is deficient.
The informational system used within CPAA is underdeveloped. The CPAA continue the practice of processing the document flow manually in registers, which makes it more difficult to control the enforcement of regulatory acts.

To continue the process of reform and improvement of decision-making, the following recommendations should be taken into account:

- Establish the procedural norms on the development, approval, monitoring and evaluation of policies.
- Develop the skills for the application of methodological norms on standard requirements and rules for drafting policy papers.
- Evaluate the activity of the institutional framework for the coordination of public policies and strategic partnership structures between the Government and the civil society.
- Amend the law on transparency in decision-making process.
- Approve the Regulation on procedures for ensuring access to information aimed at uniform application of the Law no. 982-XIV of 11 May 2000 on access to information.
- Establish an integrated management system within the Government;
- Develop an IT platform for the use of intranet as a common method of communication between Directorates and planning of working meetings.
- Establish an IT service in charge of performing IT audit and ensuring information security.
- Establish special functions of the ICT implementation manager in public institutions.
Chapter 3. Component III. Human Resources Management.

1.9 Introduction

The main challenges in the field of human resources management arise from the fact that currently the public service undergoes a continuous change and is characterised by evolution and transformation, competitiveness being the main goal of reforms. The major aim is to bring public institutions to a high level of efficiency and professionalism by applying effective management policies. This field is becoming more and more important as it can advance the improvement of public authorities’ activity. The efforts made in the field of human resources and the new methods of optimising management policies are directed towards the improvement of competence level of personnel employed in public service.

Optimising management of public office and of public servants, increasing professional competence of personnel employed by public authorities are priority tasks in reforming the central public administration. These tasks are laid down in the Government Decision no. 1402 dated 30.12.2005 “On Approving the Strategy for the Reform of the Central Public Administration in the Republic of Moldova” and in the Government Decision no. 194 dated 18.03.2010 „On Approving the Activity Programme of the Government for the Year 2010“.

Thus, the priorities for 2010 in the field of reforms in CPA, included in Human Resources Department or in connection to the mentioned department, have been focused on the following objectives:

- Modernising public service by reducing bureaucracy, improving and increasing the quality of services, which will have a maximum positive impact on citizens – a complex and multilevel objective, which also include measures related to HRM. For example, strengthening the competences of public servants in order to successfully handle the implementation of the E-Governance objectives. However, this department will need a thorough analysis after the specific activities aimed at modernising public service have been identified;
- Optimising management of public office – objective which is mentioned also in the Strategy for the Reform of the Central Public Administration in the Republic of Moldova;
- Improving professional competence of personnel employed by public authorities – task included in the broader objective of establishing a body of professional public servants.

Thus, three out of the four initial objectives laid down in the CPAR Strategy were included among the objectives established for the year 2010, with minor adjustments.

During the period under review, measures developed in the field of human resources management focused on a thorough analysis of the situation in the field, by applying monitoring and assessment tools with a high degree of transparency and objectivity. The Human Resources Department of the State Chancellery played an active role in this process. Virtually all information on events related to human resources management is publicised and disseminated by means of information bulletins posted on the CPAR web-site. Quarterly meetings are held with the managers of human resources units in the CPAA to discuss the newly adopted regulations in the field and the dissemination of implementation practices thereof.
1.10 OPTIMISING MANAGEMENT OF PUBLIC OFFICE AND PUBLIC SERVANTS

Pi. Quality of policy papers in force regulating the field of HRM

In order to complete the legal framework, a number of legal acts have been adopted during the period under review, which are needed to advance reforms, remove inconsistencies and ensure from a legal perspective the process of implementation of the objectives aimed at by the reform of the central public administration. Thus, in the context of assessing this Performance Indicator, as part of the analysis methodology applied in this study, the following normative acts, which entered into force during the period under review, can be mentioned (in reverse calendar order):

- GD no. 1114 dated 06.12.2010 “On the state order regarding professional development of personnel of public administration in the year 2011”\(^{41}\), which aims at improving the activity of personnel of public administration. According to information posted on the CPAR web-site in the Monthly Information Bulletin “Management of Public Servants”, in 2011 over 1,000 public servants will benefit from relevant professional development programmes;
- GD no. 1130 of 15.12.2010 on approval of Framework Regulation for the Human Resource Unit of the public authority\(^{42}\), which became Annex no. 9 to the Government Decision no. 201 of 11.03.2009. The Framework Regulation stipulates the status, organisation and functioning of the human resources unit, its mission, main duties and competence, rights and responsibilities;
- GD no. 943 of 11.10.2010 "On approval of the sample individual employment contract for personnel employed in the cabinet of a political appointee"\(^{43}\);
- Law no. 199 of 16.07.2010 "On the status of persons with a political position"\(^{44}\), which completed the existing legal framework and covers about 60% of senior public offices;
- Law no. 80 of 07.05.2010 on the status of personnel employed in the cabinet of a political appointee;
- Law no. 179 of 15.07.2010 amending and supplementing the Law no. 355-XVI of 23.12.2005 on public sector wage system. This law provided regulation on the wages of people holding senior public offices and of personnel employed in the cabinet of a political appointee;
- Law no. 222 of 17.09.2010 amending and supplementing some legislative acts, which amended 20 legislative acts in force, including special legislative acts, in order to harmonise the laws concerned with the provisions of the Law on public office and status of public servants;
- Law no. 98 of 28.05.2010 amending and supplementing the Law no. 158-XVI on 04.07.2008 on the civil service position and public servant status;
- Government Decision no. 519 of 22.06.2010 on the Regulation of the disciplinary committee, which provides the creation of disciplinary commissions within public authorities, having the competence to examine, upon request, disciplinary offences and to recommend penalties for public servants\(^{45}\);
- Government Decision no. 697 of 05.08.2010 on the Regulation on professional performance evaluation of public servants of public servants\(^{46}\);

As regards the quality of the policy papers in force regulating the field of HRM, it should be noted that significant efforts have been made to close the existing gaps. Delimitation was carried out between

\(^{41}\) Official Gazette no. 241-246/1229 dated 10.12.2010  
\(^{42}\) Official Gazette no. 254–256 dated 24.12.2010  
\(^{43}\) Official Gazette no. 202-205/1037 dated 15.10.2010  
\(^{44}\) Official Gazette no. 194-196/637 dated 05.10.2010  
\(^{45}\) Government Decision no. 201 dated 11.03.2009 was supplemented with Annex 7, Official Gazette no. 107/598 dated 26.06.2010  
\(^{46}\) Government Decision no. 201 dated 11.03.2009 was supplemented with Annex 8, Official Gazette no. 145-147/780 dated 13.08.2010
political offices, public offices and technical positions. Such delimitation was advanced also by approving the relevant personnel charts.

As of the date of this study, the objective of enforcing the policy papers, on which a sound regulation of the Human Resources field should be based, was partially achieved. During the discussions and interviews held with public servants, it was found that in this field it is important to focus on training in areas related to efficient use of HRM tools, to focus objectives on financial and non-financial incentives for public servants, to improve methods of involving public servants in the reform process and to encourage enrolment of professional people in the field. A relevant analysis of the above important factors is included in the process of assessing the below indicators.

PI. Level of participation of the Human Resources Units in the CPAA in the process of modernising public service

At this compartment, the major importance of the materials developed as training and methodological support in the field should be noted, such as: “Social and professional integration of the new employees in public authorities”, “Methodological instruction on recording training provided to personnel in authorities of the central public administration”, booklets “Undertaking activities of informing/training personnel of public authorities through the peculiarities of adult training. Methodical recommendations” and “Regulation of the activity of public servants. Part 1”, Guidelines “Assessing professional performance of public servants”, Leaflet “Enrolment in public service” etc.

Implementation of the automated informational system “Register of public offices and public servants”\textsuperscript{47}, which is an important tool for recording and planning human resources, is behind schedule. During the period under review, no tangible results in this respect were achieved. For the time being, activities starting the process of public procurement have been launched and the specification documents for procurement have been drafted. In addition, the State Chancellery (PPD), in cooperation with the Ministry of Labour, Social Protection and Family launched a joint activity with the National Bureau of Statistics to develop a system of statistical indicators on the number of public servants, which will undoubtedly contribute towards setting a number limit of personnel in the CPA.

The process of enrolling qualified personnel and creating a professional body in public service is of major importance. This issue was analysed by means of a questionnaire used in CPAA. According to the results of the survey carried out in October 2009 – November 2010, about 1/3 (34.6%) of the public servants interviewed think that the current reform process \textit{moderately} encourages the enrolment of young people in public service.

It should be mentioned that the said indicator is at the level recorded by the survey carried out in November 2009. At that moment, 33.3% of those interviewed stated that the process of reforming public service moderately encourages the enrolment of young people in public service, and 29% - that it encourages to a large extent or rather encourages.

43.8% of those interviewed chose the answers \textit{insignificantly} or \textit{not at all}, and 21% chose the answers \textit{to a large extent} or \textit{rather encourages}. (Figure 3-1)

Such a perception does not vary depending on age or sex. However, it is important to notice that public servants with a work experience under 5 years have a positive opinion about this factor. Thus, 55.9% of those interviewed chose the answers from “\textit{moderately}” to “\textit{to a large extent}”.

\textsuperscript{47} For the time being, the Concept of the automated informational system „Register of public offices and public servants” was approved (GD no. 1373 dated 01.12.2006, Official Gazette no. 189-192/1471 dated 15.12.2006)
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Analysing the opinions of public servants from various units in the central public administration, we found that the highest assessment in this respect was expressed by the people working in human resources units (80% moderately and to a large extent combined). (see Figure 3-1).

**Figure 0-1. Perception on the impact of reforms on enrolment of young people in public service**

![Bar chart showing perceptions on the impact of reforms.]

Source: Author’s estimates, according to the evaluation questionnaire results

The ability to change of the public servants – a positive result of the process of reforms – was assessed using the same scale – from to a large extent to not at all. According to the perception of public servants, the mentioned ability is influenced by CPAR moderately or to a large extent (65.4% of respondents), and this assessment is uniform in all sampled groups, regardless of sex, age or work experience in CPAA.

One of the questions included in questionnaire, regarding the conditions of modernising CPA, aimed at assessing the impact of CPAR on reduction of corruption in public administration. Only 23 interviewed public servants or 8.1% of respondents think that reform encourages reduction of corruption, and 45 respondents or 15.9% answered rather encourages. At the same time, 79 respondents (27.9%) chose the answer moderately. Insignificantly or not at all were chosen by 46.6% of respondents, and 1.5% did not give any answer.

See, for comparison, the results of assessment of the same factor in the survey carried out in 2009 using a similar methodology. Then, only 7.2% answered that CPAR contributes to reducing corruption to a large extent, 53% - moderately or rather contributes, and 34.7% - insignificantly or not at all; the remaining did not give an answer.

It can be noticed that in 2010, the number of public servants who think that the reform encourages reduction of corruption decreased by 8 percentage points. At the same time, the number of public servants who think that the reform has an insignificant impact on reduction of corruption increased by around 12 percentage points. One can conclude that political instability and reshuffling in 2009 and the beginning of 2010 had the effect of strengthening the perception that the system is corrupt.
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**Figure 0-2. Perception on reduction of corruption in CPA**

How in your opinion the current process of reform of the public service encourages reduction of corruption in public administration? (%)

<table>
<thead>
<tr>
<th>Perception on Corruption</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>28%</td>
</tr>
<tr>
<td>Insignificantly</td>
<td>33%</td>
</tr>
<tr>
<td>Moderately</td>
<td>16%</td>
</tr>
<tr>
<td>Rather</td>
<td>8%</td>
</tr>
<tr>
<td>To a large extent</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Author’s estimates, according to the evaluation questionnaire results

The results of interviews of public servants on the main obstacles in the reform process, namely eradication of corruption in CPA, are quite alarming. Out of a total of 282 people interviewed, 204 (71.3%) think that “Corruption is a serious problem in CPA”, while 5.7% answered “No”, and 22% - “Cannot estimate”.

The following factors have been indicated as advancing corruption in CPA (Figure 3-3):

- 89.7% of respondents think that the wage system is the main factor which to a large extent or rather advances corruption;
- 63.2% of the interviewed public servants mentioned that morality to a large extent or rather advances corruption; and
- shortcomings in the legal framework were mentioned by 57.4% of respondents.

In 2009, the three mentioned factors advancing corruption have been assessed as follows: 57% mentioned the wage system, 24% - morality, and 19% - the legal framework.

**Figure 0-3. Factors advancing corruption in CPA**

Source: Author’s estimates, according to the evaluation questionnaire results
Compared to the previous report (2009), major differences can be noted as regards all three mentioned factors. While in the case of wage system the difference is smaller, concerns regarding morality and legal framework are rising. This indicates a change in the attitude of public servants towards the values guiding their activity, but also the fact that expectations towards the regulatory framework on their activity have increased.

1.11 Improving the existing procedures in HRM

Pl. Percentage of public servants hired through open competition

During the interviews with public servants, the efforts to establish a transparent system in HRM were considered as well. Public servants were asked to assess the impact of reform on improving transparency in the organisation and carrying out of competitions for enrolment in public service. According to information publicised in the Report on monitoring and evaluating the execution of reform of the central public administration in the Republic of Moldova for the year 2010, developed by the Department of Policies, Strategic Planning and External Assistance and the Department of Human Resources, the human resources units of ministries and other national administrative authorities have offered 360 vacant public offices and organised 101 competitions for enrolment in public service. As a result, 234 people were hired through open competitions in 2010, or 38% of the total number of people hired to public offices, compared to 16% in 2009.

Analysing the perception on the results of reform for the period October 2009 – November 2010, it can be noticed that 76.3% of respondents assessed that CPAR advances moderately or to a large extent the improvement of transparency in the enrolment competitions. Depending on the length of work experience in CPA, the best opinion on the issue discussed is shared by public servants having a work experience under 5 years (81.4%) and those with a work experience over 15 years (79%). The answers provided depend very little on the positions held by public servants, increasing slightly from 75.5% among public servants with no subordinates to 84.9% among public servants heading a department.

Answering the related question regarding the advancement by the reform of the capitalising and development of the public servants’ potential, 76% chose the range of answers from moderately throughout to a large extent. This result is about the same as that recorded in 2009. According to the results of the previous report, 80.6% of the interviewed public servants thought that the reform process advances moderately, rather or to a large extent the capitalising and development of the potential of each employee. Thus, it can be noted that the reform-related activities aiming at capitalising and development of the public servants’ potential, which were implemented over the period under consideration, are perceived by public servants without major deviations.

There is a slight connection between the provided answers and the level of education of those interviewed. Thus, public servants holding a university degree assess positively the reform in relation to the mentioned factor in 29.8% of cases, those holding a Master’s degree in 38.8%, and those with a PhD in just 18.8%. This factor is rather important, given the need to enrol and keep in public service highly qualified personnel.

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Figure 0-4. Assessing the impact of CPAR

Assessing the impact of RCPA on certain HRM-related factors, from 1 - to a large extent to 5 - not at all

Source: Author’s estimates, according to the evaluation questionnaire results

In your opinion, the current reform process advances the capitalising and development of the public servants’ potential?

In your opinion, the current reform process advances transparency in the organising and carrying out of competitions for enrollment and promotion in public service?

In the above context, it is important to assess the level of involvement of the interviewed public servants in the development and promotion of procedures applied in HRM.

According to the survey results, 41.3% of those interviewed have been only informed on the new HRM procedures, 31.8% have been both informed and involved, while the remaining 26.9% answered not involved at all or declined to answer. Public servants holding a Master’s degree of PhD have been involved at a rate of about 75%. Public servants working in human resources units showed a level of active participation at 87%. At the same time, 10% of HR workers have been only informed and 3.3% have not been involved at all. An active participation was shown by people working in the legal departments (80.8%) and the departments of analysis, monitoring and policy evaluation (71.7%) (see Figure 3-5).

Figure 0-5. To what extent have you been informed on the promotion of new procedures in the authority you work in?

To what extent have you been informed and involved in the promotion of new procedures in the authority you work in?

Source: Author’s estimates, according to the evaluation questionnaire results

49 PI – Level of participation of Human Resources Units in CPAA in the process of modernising the public service
With a view of enforcing provisions of the Law no. 158-XVI dated 04.07.2008 on public office and status of public servant and of the Regulation on assessment of professional performance of public servants (Annex 8 to the Government Decision no. 201 dated 11.03.2009), the Methodological Guidelines “Assessing professional performance of public servants” were developed and published in 4,000 copies. There were defined “basic notions of management and assessment of performance, stages of the assessment process, involved factors and their weight, examples and samples of documents necessary for a uniform, just and objective implementation of the process of assessment of the professional performance of public servants”.

II. Level of operation of the system of assessment of public servants’ performance and of the incentives system

Starting with 2009, assessment of professional performance became one of the main tools for enhancing organisational performance in CPAA via the evaluation of individual achievements and professional competence of public servants. The process is carried out on an annual basis and is continually developed.

According to the results of interviews, only 69.3% of public servants think that the authority in which they work has a system designed to assess the activity of public servants. Most public servants view the evaluation as a regular event carried out pursuant to a pre-established plan, without understanding its nature (Figure 3-6).

It is worth mentioning that public servants holding managerial positions who lead a department or multiple sectors and departments stated in proportion of 67.9% and accordingly 75%, that their institution has an evaluation system (Figure 3-6).

Analysing the provided answers, it can be observed that information and methodological support measures are needed to both inform public servants on the nature of evaluation procedures and ensure tools for a proper implementation of such procedures.

It is interesting to note the variations between opinions expressed in different age groups. Thus, the opinion that an evaluation system is in place in their institution is shared by 59% of public servants aged over 50, by 67.1% of those aged 31-50, and by 76.5% of those aged under 30 (Figure 3-6).

It is quite discouraging to see that 13% of people working in human resources units did not give an affirmative answer regarding the implementation of an evaluation system. (Figure 3-6).

**Figure 0-6. Does your institution have a system to assess the activity of public servants?**

![Bar chart](http://rapc.gov.md/md/matut/)

Source: Author’s estimates, according to the evaluation questionnaire results

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50 [http://rapc.gov.md/md/matut/]
1.12 Improving the System of Incentives for Public Servants

This objective was not included in the Government Action Plan for 2010 and is analysed in view of the activities included in the CPAR Strategy and the indicators included in the Evaluation Methodology developed by the independent group of experts.

II. Level of satisfaction of public servants with the activity performed by them

During the monitoring period October 2009 – November 2010, over half of the interviewed public servants (55.4%) thought that wage scale adopted in the CPA is not adequate given the levels of responsibility, and the degree of dissatisfaction tends to rise along the education level of respondents (reaching 68.8% among respondents holding a Master’s degree). In this respect, no differences have been noted against the Evaluation report for the year 2009.

In order to have a more thorough assessment of the degree of satisfaction of public servants with the activity performed, a secondary evaluation method was applied, namely aimed at assessing the respondents’ opinion on a possible re-enrolment in public service. 82.7% of respondents stated they would not enrol again in public service, if they had such a choice (Figure 3-7).

However, in a 5-year term, 44.5% see themselves working in the same institution, and 6.7% - in another public institution. Only 13.1% (10.7% of men and 17% of women) think they could start their own business in the next 5 years (and around 16% in the age group up to 30 years), and only 12% see themselves employed in the private sector. Another 4.9% will retire and 14% did not give any answer.

In the same context, 87.5% of respondents think that given their level of qualification, they would get a bigger salary in the private sector. The age group 31-50 years display a somewhat more modest attitude. While 2/3 of public servants aged up to 30 years and over 50 years disagree that wages in the public sector are just when compared to those paid in the private sector, less than half of the middle-aged public servants share this opinion. Breaking down the respondents’ answers depending on areas of activity, the following results emerge: 73.3% of those employed in legal units, 88.5% of those in PAMED and 63% of those working in human resources units totally or partially disagree that their wages are comparable to those they could get in the private sector, given the same level of qualification.

A number of questions included in the questionnaire aimed at identifying trends in the public servants’ perception of the system of financial and non-financial incentives for public servants.

According to the collected data, around 55% of respondents think that the majority of employees are motivated and dedicated and display initiative in performing their activity. The situation did not change from the last evaluation report. According to the results of the 2009 Evaluation report, “more than half of the interviewed public servants stated that they are motivated to work in public institutions and think that the working environment is acceptable, including the incentive mechanisms”.

63.6% of public servants holding managerial positions who lead one or more sectors or departments stated that they totally or partially agree that public servants are devoted and display initiative (Figure 3-7).

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1.13 Creating a body of professional public servants

This objective was analysed in light of the following Performance Indicators:

- Pl. Relevance of training activities organised for public servants
- Pl. Quality of establishing a system of continuing development for public servants
- Pl. Share and degree of involvement of the civil society in training public servants

One of the major aspects of HRM involves recruitment of employees, training and developing them, as part of the management of human capital. It is of paramount importance to ensure that proper attention is paid to the employees’ abilities and that such abilities are correctly and optimally developed in order to achieve the expected results. HRM implies constant efforts to promote...
professional development, employees’ satisfaction and conformity to labour law. But what is the opinion of public servants on the outcomes of such measures? 47% of respondents think that the new HRM procedures introduced over the period October 2009 – November 2010 in the framework of CPA reform had a positive influence on their activity, around 6% saw a negative influence, and 45% think that such procedures did not affect in any way their activity in CPAA.

The study aimed also at reflecting the qualitative aspects of the impact brought by these changes on the activity of public servants. Thus, in the period under review around 48% of those interviewed found that new tasks have been included in their job descriptions. The same share was indicated by public servants working in PAMED, 54% - by those working in legal units, and 60% - by HR units’ personnel. In this context, 36% think that such new tasks are of an ad-hoc nature or are improper (41% - in PAMED, 35% - in legal units, and 27% - in HR units).

Overall, 45% indicated a better organisation of their activity as a result of the reform implementation in general, and of the new HRM measures in particular.

In terms of the overall impact of the new procedures on activity of CPAA, around 55% of the interviewed public servants think that the activity of their authority changed to better, around 6% think it changed to worse, and 38% - that it did not change in any way.

In the context of analysis of the relevance of training activities for public servants and or their quality, it was revealed that informational support on diversity of offered training programmes had been insured by the activity of the Department of Human Resources of the State Chancellery. Such programmes are publicised via the monthly Information Bulletins which include information on the training activities organised during the period under review and also training options and topics for the next periods.

According to the data included in the Report on monitoring and evaluation of the execution of reform of the central public administration for the year 2010, around 2,780 public servants benefited from various training activities both in the country and abroad, out of which 66.7% working in CPA and 33.3% - in LPA.

One of the aims of the questionnaire was to assess usefulness of the mentioned training activities and transparency of the selection criteria employed. Thus, over the last year 25.8% of respondents attended short-term courses, 27.9% attended long-term courses (over three days), 25.8% attended both short- and long-term courses, and 18% did not attend any training courses. The remaining respondents did not give any answer.

Aggregating data collected from the entire sample, it was found a fair participation of public servants of different ages and work experience. Depending on sex, male public servants participated more in training activities, but the gap is insignificant. It seems that there is a shortage of specialised courses designed for administrative-financial units.

As regards the quality of courses, 42.4% of those interviewed stated that they had a big or very big impact on their professional activity, 37.5% mentioned a partial effect. The best training programmes for public servants (assessed as useful and very useful) have been offered by international and non-governmental organisations, followed by public authorities, Academy of Public Administration and state education institutions (Figure 3-9).

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52 http://rapc.gov.md/md/rapcrez/
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Figure 0-9. Evaluation of the degree of utility of the offered courses, from 1 (useless) to 5 (absolutely useful)

Source: Author’s estimates, according to the evaluation questionnaire results

Transparency and clarity of the selection criteria for participants was another aspect analysed during the study. Thus, one of the objective factors, namely rotation of participants, was mentioned by 40% of respondents as being applied for domestic courses and 18% in the case of courses organised abroad. Good work results was named as a criterion for selection by 17% of respondents when assessing participation in domestic training activities and by 33% of respondents – in the case of courses organised abroad (Figure 3-10).

Figure 0-10. Criteria used to select participants in training activities

Source: Author’s estimates, according to the evaluation questionnaire results

According to the questionnaire results, the current reform process advances the improvement of continuing development of public servants as follows: to a large extent or rather – 37.8%, moderately – 40.3%, insignificantly or not at all – 20.5%. Depending on age, the highest evaluation was provided by the group of respondents aged up to 30 years and the group with work experience in CPAA of less than 5 years (around 80%) (Figure 3-11).
Public servants leading several sectors and departments assessed the importance of the process of continuing development at 100% (combined from “moderately” to “to a large extent”). It should also be noted that people working in human resources units and administrative-financial units provided a higher assessment of the continuing development process as compared to people working in other units.

1.14 Conclusions and Recommendations

Based on the analysis of results brought in by the activities related to the reform of the central public administration in the field of Human Resources Management, the following conclusions can be drawn:

- In the period under review, the measures developed in the field of human resources management focused on a thorough analysis in this field by applying complex monitoring and assessment tools having a high degree of transparency and objectivity.

- It emerged from the analysis of the questionnaire data that the majority of public servants think they do not have a decent salary and identify this factor as central in advancing corruption in the public service. Therefore, reform of the wage system remains a major priority in CPA. The failure to finish the drafting of a new law on salaries of public servants is a major obstacle in ensuring decent conditions for the activity of public servants and in enrolling qualified personnel.

- It was found that the lack of a final incentive tool eventually compromises the evaluation system. The evaluation of performance of public servants should go hand in hand with the reform of the wage system, as inconsistencies compromise the objective nature of evaluation.

- Analysing the perception of public servants on the quality of training programmes, it was found that institutions which usually provide most training services are the least preferred. In order to improve quality of the provided training programmes, it is necessary to rethink the approaches towards training activities, evaluation of training needs, quality of instruction and trainers, training materials and relevance of offered activities etc.

- Although the Department of Human Resources made sustainable efforts as regards information and dissemination of practices, the activities related to communication and informing public
servants on the newly implemented HRM tools are mostly addressed to human resources units and are not known by all public servants.

Based on the above conclusions, the following recommendations were advanced:

- Reform the wage system for public servants, complete the drafting of a new law on salaries of public servants in order to ensure decent wages for public servants and enrolment of professional staff in the public service.
- Synchronise the process of evaluation of public servants’ performance with the reform of the wage system.
- Continue using the tools for monitoring and evaluating human resources in a transparent and objective manner.
- Rethink approaches towards training programmes by thoroughly evaluating training needs, quality of instruction and trainers, training materials, relevance of offered programmes, with a view of improving quality thereof.
- Expand activities of communication and informing public servants on the newly implemented HRM tools in order to achieve a broader awareness thereon, reaching all interested public servants and not only human resources staff.
- Replicate methods of attracting qualified personnel and create a professional body of public servants by applying transparent tools for selection, providing effective training and informing on evaluation procedures and their correct implementation.
- Finalise implementation of the Register of public offices and public servants and continue development of a system of statistical indicators to be used later in completing AIS.
2 CHAPTER 4. COMPONENT IV. PUBLIC FINANCE MANAGEMENT.

2.1 INTRODUCTION

According to provisions of the CPAR evaluation methodology, developed by the Independent group of experts in 2009 and adjusted in 2010, monitoring is a continuous process of collection and analysis of relevant information on the progress of the implementation of CPAR Strategy, according to set objectives and planned results.

In order to ensure the implementation of the above-mentioned, and the sustainability of the CPAR Strategy evaluation process, a new process of evaluation of the Component „Public Finance Management“ was launched for the period under review October 2009 – November 2010.

The following regulatory acts were selected as references for the monitoring and evaluation process:

It is important to mention that, by Government Decision No. 1402 no amendment or updating was conducted for the Component „Public Finance Management“, actions planned for this component are still effective and objectives are still valid. The objective of the CPA reform in „Public Finance Management“ is „Creation of an efficient and sustainable system of interaction of the policy development process with the budgetary process“.

In order to achieve this objective, the following Actions were planned for 2006-2008:
1. Institution of the practice of annual reporting on the achievement of sector programmes' objectives and efficiency of utilization of financial resources;
2. Enhancing the capacity of subdivisions in charge of strategic planning, and of subdivisions in charge of budget planning from central public authorities, to analyze different projected options and to evaluate their impact, including the financial impact;
3. Introduction of the evaluation system for performances of central public administration in terms of amount of allocated financial resources.

In its activity plan for 2010, for the Component „Public Finance Management“, the Government set as priority only 2 actions, which are:
- Objective No. 24, Action a) Improvement of the system of public finance management, sub-action 2 - „Non-admission of cases of starting new projects by primary budget executors, if projects that already started have no full financial coverage“.
- Objective No. 37, Action d) Development of methodologies for the revision and updating of the Government annual activity programme and of the National Strategy of Development by strengthening the connection with Mid-term expenditure framework.

Having in mind these legal provisions, it was considered to be necessary to monitor and evaluate the conduction of the CPA Reform on the component „Public Finance Management“ according to provisions stipulated in the basic document (Government Decision No. 1402 of 30.12.2005) in terms of

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updated indicators of the Evaluation methodology (adjusted in 2010), taking into account priorities set by the Government for 2010 (Government Decision No. 194 of 18.03.2010).

According to provisions of the Evaluation methodology, the following 6 performance indicators were set:

1. Submission of reports providing efficiency indicators for the utilization of financial resources;
2. Adoption of the regulatory framework to enforce the submission of annual reports, efficiency indicators and the methodology of indicators’ analysis;
3. Level of implementation of the system of evaluation of CPA performance in terms of allocated financial resources;
4. Effectiveness of operation of tools for coordination of policies with budget planning process;
5. Degree of financial coverage for policy documents

### 2.2 Creating an Efficient and Sustainable System of Interaction Between the Process of Sector Policy Development and the Budgetary Process

This Objective was evaluated in terms of the following performance Indicators:

- PI. Submission of reports providing for efficiency indicators for utilization of financial resources
- PI. Adoption of the regulatory framework on the enforcement of submission of annual reports, efficiency indicators and of a methodology of their analysis.

Following to analysis of these indicators, it was established that central public administration authorities submit periodically reports on the implementation of tasks, set in different policy documents of different levels. Main policy documents, about which CPAA submit reports, are:

1. National Development Strategy;
2. Programme on economic stabilization and revival of the Republic of Moldova for 2009-2011;
3. Government activity programme for 2010;
4. Institutional development plans;
5. Annual activity plan of CPAA.

PAMED is, as a rule, in charge of collecting and summarizing information about implementation of actions from these policy documents, PAMED, in its turn, reports to the State Chancellery.

In order to simplify and raise the efficiency of the process of reporting and analysis of these, the State Chancellery developed a unified standard report, including the majority of policy documents, except for NDS.

NDS reporting actions were re-launched in October 2010 as a one-off event. It is important to mention that, as for public policy documents, NDS is the only document to contain, at reporting efficiency, indicators for the utilization of financial resources. The disappearance of this document will lead to the abandonment of the practice of reporting with efficiency indicators for financial resources. In order to avoid that, it is absolutely necessary to extend the experience of utilization of efficiency indicators of financial resources and to introduce it for reporting on implementation of actual policy documents.
III. Level of implementation of the evaluation system of CPA performances in terms of allocated financial resources

Action 3) from the implementation plan of the Strategy of Central Public Administration Reform in the Republic of Moldova, annex No. 2 to the Government Decision No. 1402 of 30.12.2005 provides for “Introduction of the system of evaluation of central public administration performances in terms of amount of allocated financial resources”. The same action plan set deadlines, and authorities in charge of implementation of this action: Deadline: years 2007-2008, authorities in charge: Government office, CPAA.

In 2007, the Government adopted the Decision No. 54 on the approval of the detailed plan of implementation of the Strategy of Central Public Administration Reform for 2007, providing for in it. 13.3 „Initiation of the system of evaluation of central public administration performances in terms of allocated financial resources”. Deadline – trimester IV 2007. Authorities in charge: Government central office, Ministry of Economy, Ministry of Finance, CPAA.


In 2009, the Government developed an Implementation report for the Strategy of Central Public Administration Reform, containing results of reform implementation. In chapter „Management of public finance”, action 13.3, „Introduction of the evaluation system for central public administration performances in terms of amount of allocated financial resources”, the Government reports the following: “The evaluation system for central public administration performances in terms of amount of allocated financial resources wasn’t developed. These works were transferred for 2009”.

We noted that as a result of evaluation of both of the above mentioned documents and reports for implementation of CPAR Strategy there were not found specific explanations, reasons or arguments for non-execution or delay of the planned actions. These delays, officially groundless, had a negative impact not only on this action, because its achievement is directly related to the achievement and results of other actions, like coordination of the strategic planning process with that of budget planning, implementation of programme-based budgets, IDP implementation and monitoring, PAMED monitoring. Taking into account that at the CPAA level certain steps have been taken in this sense, they needed to independently bring in performance evaluation tools.

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Given that the Government Decisions No. 54 of 18 January 2007 and No. 59 of 25 January 2008 include instructions for execution (point 3 of both decisions) a number of authorities of Central Public Administration have been reviewed in terms of their compliance with the provisions of the mentioned normative acts. It was found that a number of authorities have indeed included in their activity plans and strategies provisions for development and implementation of the performance evaluation system. Moreover, they included information on their full achievement in the annual reports.

In conclusion, we can say that at the level of this indicator the situation remained unchanged compared to that presented in the previous evaluation report.

Similarly, following the ambiguities of the legal framework, the effect on public servants involved in this field also remained unchanged.\textsuperscript{56}

**Figure 2-1. Do you use a performance evaluation system in relation to the size of financial resources allocated?**

![Bar chart showing the percentage of public servants using a performance evaluation system in relation to the size of financial resources allocated.](chart)

Source: Results of questioning the CPAA public servants

While analysing the data from Figure 4-1., we can notice that the results vary from one department to another. This is because the personnel of financial divisions/departments is confusing those little performance evaluation elements, present in the part of reporting on programme budgeting, and PAMED personnel, being more familiar with the SCPAR content, has a more critical evaluation on the achievements of this action. The achieved results are comparable with the results achieved in 2009, when only 23\% of the PAMED officials, 55\% of the financial administrative divisions and 37.8\% of both mentioned they are using a performance evaluation system in relation with the size of allocated financial resources.

**III. Efficiency of the tools for policy coordination with the budget planning process**

As also mentioned in the report of CPAR performance monitoring and evaluation for the period 2006-2009, the tools for policy coordination with the budget planning process are positioned at different levels of the CPA. The highest level is the Inter-ministerial Committee for Strategic Planning (ICSP) which links the Medium-Term Budget Framework (MTBF) and the national policies at the highest decision level.

The next level is the State Chancellery which, according to its Operation Regulation, is responsible for correlation of national strategic planning papers with the MTBF, with other sector and cross-sector strategic papers, ensuring coordination of the planning process of public policies and development of policy papers, in compliance with the priorities of the Government Programme and development strategies, monitor their implementation by government authorities.

At the CPAA level, policy coordination with the strategic planning process is performed by the management of CPAA, PAMED and budget planning departments.

\textsuperscript{56} According to the opinion of 73 officials from the PAMED and Budget Planning Departments.
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As a result of reviewing ICSP activity, it was found that, according to the Operation Regulation, it is convened once per month, or upon necessity, in extraordinary sessions. During the reviewed period it convened in sessions for 9 times. The sessions have been publicized through mass media.

During these sessions there were addressed issues related both to strategic planning and foreign financing (example: session from 4 March 2011. Within the session of the Inter-ministerial Committee for Strategic Planning, 5 projects were approved and proposed to the European Union Delegation for funding: (1) Implementation of the Strategic Development Plan for 2011-2014 and international standards by the Court of Accounts, (2) Support to the Agency for Land Relations and Cadastre, (3) Support to the Agency for Transplants, (4) Consolidation of administrative capacities of the Agency for Public Property, as well as (5) Establishment of consortiums for technical vocational education and progressive professional development routes.

There were also examined within this session issues related to the Programme for budgetary support in the energy field with funding from the European Union, major strategic projects within the Cross-Border Cooperation Programme of Romania – Ukraine – Republic of Moldova for 2007-2013, Twinning – the institutional consolidation tool, Rural Investment and Services Project (RISP II), public policy priorities for 2012-2014 and the calendar of the new strategic planning document.

Inter-ministerial Committee for Strategic Planning has set the public policy priorities for 2012-2014. These are grouped in seven priorities: (i) European integration, (ii) country reintegration, (iii) efficient and balanced foreign policy, (iv) rule of law, (v) combating poverty, and quality public services, (vi) sustainable economic growth and (vii) government decentralization.

Relations of policy coordination with the budget planning process, role of each party in this process, as well as responsibilities, have been described and regulated by the State Chancellery in a draft “Methodological Guidelines on the decision-making process” and in the “Methodology for Development of Strategic Development Plans” which, once approved, will fill the regulatory vacuum in this field.

As for the effectiveness of regulated activities, this will be visible after the process of development of CPAA’s SDP will be completed, following to be integrated into the budget and strategic planning process, ensuring a full correlation at all levels of CPA.

**Pl. Financial coverage of the policy papers**

The results of interviews and analysis of documentation in this sense showed that the following achievements have been reached:

- At the regulatory level, it was included as a priority action in the Government Activity Programme for 2010 to restrict initiation of new objects without full financial coverage.
- At the CPAA level, as a result of the conducted interviews, public servants from the PAMED confirmed that initiation of new policies or objectives is dependent on the availability of financial coverage.

**Pl. The share of the public funds allocated for programme–based budgets**

Currently, in the Republic of Moldova there is one budget preparation method at the level of CPAA, i.e. estimate-based budget preparation. Exceptions are only the funds allocated in the national programmes which are managed based on programmes.

57 Upon the finalization of this report the Methodology for Preparation of Strategic Development Plans was approved through Government Decision No. 176 of 22.03.2011.
There are cases when the activity of the whole institution is included in a programme or more programmes, but these cases are singular.

According to the State Budget Law for 2010, a total of 19 programmes were planned, managed by 18 CPAA with a budget of 5,299,809.00 thousand MDL, representing 27.24% of the total planned budget, with 3.36 percentage points less than in 2009 (30.6 %) and respectively with 9.84 percentage points more than in 2008 (17.4 %). (Table 4-1 and Figure 4-2).

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<th>No.</th>
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<th>No. of programmes</th>
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<th>Total budget amount, thou. MDL</th>
<th>Programme share in total budget (%)</th>
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<td>Total programmes</td>
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Source: Budget Laws for the years 2008, 2009, 2010
Figure 2.2. Trends in the programme-based budget

Source: Budget Laws for the years 2008, 2009, 2010

### 2.3 Conclusions and Recommendations

The results achieved after the review of CPA Reform implementation on the PFM Component showed that actions conducted during October 2009 - November 2010 had a moderate impact on establishment of an efficient and sustainable system for interaction of the policy development with the budgetary process. The enforced findings are the following:

- The reporting system was simplified, however a reporting practice based on indicators of efficient use of financial resources was not developed.
- Central Public Administration performance evaluation system in relation to the amount of financial resources allocated was not established.
- Activities were carried out to streamline the tools for coordination of policies with the budget planning process.
- The strategic planning activities are not coordinated with the budget process at the CPAA level (PAMED, CPAA management, budget planning departments) due to inefficient existing tools.
- Actions were initiated to restrict new objectives, without financial coverage.
- No major changes were made in terms of the share of programme-based budgetary public funds. Although, an analysis of their implementation or quality would be appropriate, reports on implementation of programme-based budgets are not available.

**Recommendations:**

- Extend the experience of using indicators of efficiency of financial resources from the NDS to most important national policy papers.
- Establish the CPA performance evaluation system in relation to the amount of allocated financial resources, in several phases:
  a. Develop a concept and vision for the system;
  b. Identify its constituents;
  c. Establish implementation tools and methods to analyse the obtained data.
- Increase the efficiency of CPAA SDP and the role of PAMED and budget planning departments in coordination of policies with the budget process at the level of CPAA.
- Develop the capacity for budget planning, preparation and implementation of programme-based budgets, including through implementation of retraining courses, develop the capacity for analysis, evaluation and reporting on the implementation of the programme-based budgeting.
- Establish mechanisms to adjust programme-based budgets and performance-based budgets with linear budgets used at present as a prerequisite to ensure a higher number of programmes.
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and a greater amount of public expenditures allocated to programme-based and performance-based budgets.
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13. Law No. 21-XVIII of 18 September 2009 on the amendement of the Law No. 64-XII of 31 May 1990 on Government [Legea nr.21-XVIII din 18 septembrie 2009 pentru modificarea Legii nr.64-XII din 31 mai 1990 cu privire la Guvern].


19. Law no. 80 of 07.05.2010 on the status of staff employed in the cabinet of a political appointee [Legea nr. 80 din 7 mai 2010 cu privire la statutul personalului din cabinetul persoanelor cu funcții de demnitate publică].


21. Law no. 222 of 17.09.2010 amending and supplementing some legislative acts [Legea nr. 222 din 17 septembrie 2010 cu privire la modificarea și completarea unor acte legislative].

22. Law no. 98 of 28.05.2010 amending and supplementing the Law no. 158-XVI on 04.07.2008 on the civil service position and public servant status [Legea nr. 98 din 28 mai 2010 privind modificarea și completarea Legii nr. 158-XVI din 4 iulie 2008 cu privire la funcția publică și statutul funcționarului public].

23. Government Decision no. 519 of 22.06.2010 on the Regulation of the disciplinary committee [Hotărârea Guvernului nr. 519 din 22 iunie 2010 cu privire la Regulamentul comisiei de disciplină].
24. Government Decision no. 697 of 05.08.2010 on the Regulation on professional performance evaluation of public servants [Hotărârea Guvernului nr. 697 din 5 august 2010 despre Regulamentul cu privire la evaluarea performanțelor profesionale ale funcționarilor publici];
ANNEX. INTERVIEWED INSTITUTIONS

The number of interviews processed for each institution where these were conducted:

<table>
<thead>
<tr>
<th>No.</th>
<th>Institution</th>
<th>No. of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agency for Land Relations and Cadastre</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>National Bureau of Statistics</td>
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<tr>
<td>3</td>
<td>Government Chancellery</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>Court of Accounts</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Main State Tax Inspectorate</td>
<td>14</td>
</tr>
<tr>
<td>6</td>
<td>Ministry of Defence</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>Ministry of Culture</td>
<td>15</td>
</tr>
<tr>
<td>8</td>
<td>Ministry of Education</td>
<td>15</td>
</tr>
<tr>
<td>9</td>
<td>Ministry of Environment</td>
<td>12</td>
</tr>
<tr>
<td>10</td>
<td>Ministry of Foreign Affairs and European Integration</td>
<td>11</td>
</tr>
<tr>
<td>11</td>
<td>Ministry of Internal Affairs</td>
<td>15</td>
</tr>
<tr>
<td>12</td>
<td>Ministry of Agriculture and Food Industry</td>
<td>17</td>
</tr>
<tr>
<td>13</td>
<td>Ministry of Construction and Regional Development</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>Ministry of Economy</td>
<td>15</td>
</tr>
<tr>
<td>15</td>
<td>Ministry of Finance</td>
<td>13</td>
</tr>
<tr>
<td>16</td>
<td>Ministry of Justice</td>
<td>11</td>
</tr>
<tr>
<td>17</td>
<td>Ministry of Labour, Social Protection and Family</td>
<td>7</td>
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<tr>
<td>18</td>
<td>Ministry of Health</td>
<td>15</td>
</tr>
<tr>
<td>19</td>
<td>Ministry of Information and Communications Technologies</td>
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<tr>
<td>20</td>
<td>Ministry of Transport and Road Infrastructure</td>
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<tr>
<td>21</td>
<td>Ministry of Youth and Sports</td>
<td>11</td>
</tr>
<tr>
<td>22</td>
<td>Agency of Material Reserves</td>
<td>6</td>
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