

Joint Integrated Local Development Programme

ASSESSMENT REPORT

Administrative capacity of local public administration authorities

November 2010



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Introduction

In the last decades, there has been a permanent intention at the level of governmental policies to modernize the local public administration (LPA) of the Republic of Moldova. However, few insignificant steps were taken as such, leading to unimpressive outcomes.

The reform of LPA is a difficult process, becoming even more complex when the political determination is absent or simulated.

Since 1991 until nowadays, a range of local governance models have been tested, but each time, the government would try to modify the territorial structure or would overprotect the local authorities for political reasons (electoral), rather than offering economic and social incentives. The attempts to reform the LPA system bumped into subjective issues, political factors and ideologies of political parties that came to power lacking a precise vision on the administrative system – a system so awaited by the population fed with promises during electoral campaigns, but so unfamiliar to it.

The reform of the LPA has never been a priority, although all the governments claimed quite the other way. On the contrary, the centralized model of administration was reinforced and replicated, especially in the period between 2003 and 2009, when the government took great efforts to strengthen the verticality of the power, fact that was taken over by the local level. Therefore, the changes of that period did not promote the spirit and the values of administrative decentralization, since they did not determine the creation of a new model of local autonomy, largely spread in the Central and Western Europe, by acceptance and securing the enforcement of principles foreseen in the European Charter of local self-government¹.

Consequently, the improper situation of LPA made the incapacity of the public administration within administrative-territorial units even weaker, fact that generated more and more problems which could be solved only by means of a global reform of the administrative system, both centrally and locally.

The LPA connected errors, inactions, problems overriding and delays in this field are visible everywhere local public authorities are and are characterized by:

- fostering a generally low capacity of administrative-territorial units (ATU);
- existence of a great number of ineffective ATU, of a too broad and inept administrative system;
- difficulty/impossibility to fulfil the mission of LPA – to assure the administration of local affairs by providing necessary qualitative public services;
- underdevelopment, poverty, abandonment, country depopulation, economic collapse and unemployment;
- severe constraints (human, financial, material) in the LPA sector, the incapacity of certain ATU to develop and support small development projects or to mobilize the resources needed to development.

Among the major causes that provoked this situation within LPA are:

- 1) the „interference” of the central power was preserved. The central power is known for its party--clientele policies, acting through a large bureaucratic system;
- 2) lack of a comprehensive reform of the central and local public administration system;
- 3) absence of priorities and objectives of the process for transformation of the LPA system, in line with the commitments of the RM as country that ratified the European Charter of local self-government;
- 4) the normative framework in the field of LPA has not yet taken the shape of administrative decentralization, is heavy, imprecise and contradictory, attributing to the ATU certain unspecific competences/tasks that are unfeasible;

¹ Victor Popa, Efectele descentralizării: Rolul reprezentantului Guvernului în unitățile administrativ-teritoriale, Chișinău, 2008 [Effects of decentralization: role of the Government representative in ATU, Chisinau, 2008]

- 5) chronic deficiency of material and financial resources for LPA is perpetuated, making the system dependent on the political will of the central administration;
- 6) lack of efficient partnership between the state and civil society; the possibilities and capacities of an institutional dialogue are ignored.

It is necessary to mention that four projects were initiated with the support of UNDP. These are dealing with important issues in the field of LPA (administrative capacity, financing and decentralization), fact that proves Government's strong intention (major stakeholder of the project) to obtain a real and comprehensive picture of the country's situation based on the study and subsequently, to generate optimal reforming solutions to strengthen local self-government and decentralization.

The administrative capacity represents the ability of public institutions to identify precise objectives, to set specific priorities and to implement them efficiently. Typical features of administrative capacity are, for instance, the proficiency of civil servants, degree of advanced information technologies dissemination in the public sector, intra-agency relations, interaction between the Government and social-economic environment and speed of decisions making process and their quality².

The hereby study proved that out of those 78 assessed ATU, only 10 comply with the legal capacity criteria (12 %). The lack of administrative capacity ranges between -5.23% in Sîngerei and -6.55% in Obileni, district Hîncești. In overall, 80% of rural ATU confront with a more than 100% capacity deficiency. Only 10% of the district councils have administrative capacity, while 10% of towns lack it, as proven by 2008 financial data.

The above-mentioned data were obtained during the study and are extremely important in justifying the unsatisfactory capacity of the LPA from the Republic of Moldova. Synthetically, it describes the major peculiarity of the field, proving that ATU cannot have a local and financial self-government in such circumstances and produce so little, that money is hardly enough to pay the mayor.

This situation is caused by different factors, including the small size of ATU and insufficient sources for own budgets. These lead to a chronic lack of material and financial resources necessary for the administration of the local public domain and to the lack of a compulsory framework of highly trained municipal public servants.

The general aim of the Project was to collect, interpret and analyse the data of the study; to assess the capacities of ATU based on these data; to formulate conclusions, recommendations and to submit them to the Government, in order to develop reforming measures to solve the issues identified in the LPA field.

The following objectives were set for the achievement of the general aim:

- adaptation of the UNDP LPA capacity assessment methodology to the specificity of the Republic of Moldova (*Appendix no.1*);
- obtaining of data on the state of target ATU's capacities by applying specific investigation tools in the field (*see the Survey. Appendix no. 2*);
- interpretation and analysis of collected data and specification of ATU capacity in the fields to be assessed;
- development of conclusions and recommendations on assessed ATU capacity;
- issuance of development plans for ATU capacities development, based on conclusions and recommendations;
- evaluation of equipment, soft and materials needed for immediate enhancement of ATU capacities.

Through this study, *the providers* had the task to participate in the improvement of the political framework, support of the administrative system, acceleration of competences transfer to LPA,

² Resources to help in Evaluating Socio Economic Development / Themes & Policy Areas / **Web:** www.evalsed.info

decentralisation and promotion of ATU role in decision-making process by providing specialized consultancy in the domains referred to.

ATU had the task to provide evaluators with requested data and information, to fill in the survey and to present objectively the actual situation in the field they are competent.

The general outcome of the study will consist in strengthening the capacities of target districts, cities and villages to plan, budget, implement, monitor, assess their local development and manage more efficiently the public services provided for the welfare of the community through an approach based on respect of human rights and gender equality.

Through a potential extrapolation, the generalizations necessary for the development of LPA capacities system at national level will be carried out.

The recipients of the study are:

- LPA as a whole, since the establishment of study groups, permitted to have a proportional representativeness of ATU both numerically and from the point of view of type and peculiarities of assessed localities;
- ATU included in the study groups;
- Leaders and civil servants of assessed ATU;
- Local communities as well as all interested institutions/organisations/persons from assessed ATU.

The beneficiaries of the project:

- UNDP, project donor;
- Government of the Republic of Moldova, as requesting party of the project and general beneficiary of the assessment outcomes;
- assessed ATU, whose capacities will develop as project aftermath; leaders and civil servants;
- local communities as well as interested institutions/organisations/persons that will benefit from local development and ATU enhanced administrative capacity.

Study conduct. The fact that the study was developed and carried out with the support of government offered a very good environment for implementation of the activities in situ, observance of terms and a good reaction on behalf of the staff from local public administration units to the requests of the assessment team.

We believe that districts leaders, mayors of target localities and ATU staff involved in the activity showed a serious and objective approach, provided all the requested data and documents, and built an efficient co-operation with teams of the companies that carried out the assessment in the field. There were situations when the responsibility for survey completion was shifted to executive officials or there was a need to collect data through interventions during assessment missions. Hence the difficulties and feeling that some local level managers are not involved.

The Institute for Development and Social Initiatives Viitorul (IDIS), the Institute for Urban Development (IDU) from the Republic of Moldova, AVENSA Consulting (AVENSA) from Romania, and the authors of the hereby study express their gratitude to UNPD, for the consistent support provided during the activity. Special appreciation to State Chancellery of the RM, districts leaders, mayors and all local staff that made possible the completion of this process by showing their commitment and openness.

Executive summary

The hereby report represents the result of data, conclusions, recommendations systematisation, based on the reports carried out by the teams that assessed ATU. The document has the following structure: an introduction, an executive summary and units dedicated to those eight fields (set in Methodology, presented in the reports developed for ATU level and introduced in the Survey), conclusions, recommendations and appendices.

Each chapter of the Report contains comprehensive conclusions and recommendations. The conclusions and general recommendations are written at the end of Report. Each capacity element analyzed in the units has been given certain evaluation.

By analyzing the legislative framework that sets the competences of the LPA, it was proven that the majority of relevant normative and legislative acts do not make difference between LPA of different levels and do not observe the provisions of Law on administrative decentralization, which stipulates the LPA fields of activity of Ist and IInd levels. Thus, a series of legislative acts and Governmental Decisions specify the LPA competences, which are not in compliance with the Law on administrative decentralization;

Based on the recommendations on staffing charts and salary grids, the central public administration influences on LPA, infringing their self-government rights to public administration of local interest;

The lack of a uniform, motivating and transparent remuneration system, in correlation with inefficient HR policies led to a low degree of motivation on the part of public officers and as a result, to a significant staff turnover and stagnation or/and decline of professional competences;

Citizens' involvement into LPA activity takes different shapes: local referendum, public debates, round tables, opinion polling; it knows an incipient phase and the process is, as a rule, formal;

The assessed ATU are medium-sized, having 1-2 localities, a population ranging between 2000-3500 inhabitants and an underdeveloped economy.

The analysis of financial capacities of ATU underlined the high degree of poverty of those localities. In 2009, the average volume of the local budgets revenues per capita represented 1215.82 lei for rural localities and 1219.83 lei for urban areas (more than 100 USD/78 Euro). Own incomes per capita is 10 times lower in rural areas and twice lower in urban zones, fact proving a very weak development capacity.

Economy is underdeveloped and dominated by commercial enterprises. Existence of six enterprises per 1000 inhabitants is below the national and regional average. At the level of ATU, at least two NGOs are involved into economic, social and cultural development and fund raising.

The assessment of infrastructure revealed that roads, water and drainage systems, litter/waste disposal systems from rural areas and district centres are in a very poor condition and need urgent intervention. The situation is better with gas, electricity and telecommunication systems from urban areas. In rural localities, these facilities are scanty.

All the assessed ATU depend very much on the transfers allocated by the central authorities. The incomes of the local budgets rarely exceed 20%, and therefore, the LPA depend on central public authorities.

None of the rural localities and the majority of districts have administrative capacity, the study revealed.

Delegation of new responsibilities and competences (including financial ones) to LPAA will lead to the increase of administrative capacity. However, there is a need to reinforce LPA capacity in relation to institutional framework, tools and instruments for taxes and fees collection.

It is essential to develop the integrated concept of foreign investment and funding that could foresee an actual and general inventory of needs, opportunities of local/national offer for investments, priorities, needed sums, financing/co-financing resources and other elements at the level of country and ATU that would make the domain operational.

Another suggestion is achieving the national political consensus with regard to the integrated concept of strategic planning in the field of LPA and to the integrated concept of foreign investment and funding; and to amend, if necessary, the normative, organizational and functional framework necessary for their implementation.

Additionally, it is essential to identify, together with State Chancellery and Academy for Public Administration the needs for training of the LPA staff management in the domains: strategic planning of local development; self-government and decentralization; programmes/projects funding; project management; European integration; foreign languages, IT and vocational training programs for local elects and civil servants that need such knowledge.

The Academy of Public Administration could create certain branches/regional centres for continuous training of local elects and civil servants, in order to bring the educational act closer to beneficiaries. The positive side of this decision is reduced period of absence from the working place and lower travel costs, etc.

Primary conclusion. ATU from the Republic of Moldova “suffers from” a chronic under-financing, has limited capacities, limited material and human resources specialized in fields of great importance, especially in rural areas, and an autarchically subsisting administration. All these aspects make the perspective of building a genuine local self-government and decentralization even more distant.

Primary recommendation is to revise the Strategy of Decentralization of the RM based on data, findings and recommendations from the hereby document; to project reorganization from the territorial and administrative point of view; to acquire a national consensus on these measures of reform; to initiate and implement this process stepwise - as soon as the normative framework of financial and material conditions is assured and to train the staff from administration for the management and application of the whole process.

1 Assessment of LPA authorities capacities

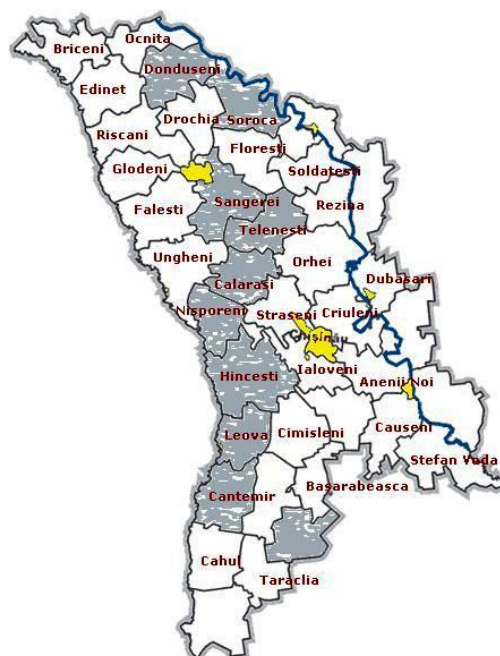
1.1 Characteristics of LPA authorities

In this chapter, the following indicators have been specified:

- *Number of inhabitants per locality and the dynamics for the last three years (2008-2009-2010);*
- *Number of economic agents per capita;*
- *Revenues of the local budget for 2009 per capita;*
- *Own revenues for 2009 per capita;*
- *Current conditions of infrastructure.*

The assessment of LPA authorities' capacities has been performed based on a certain number of districts and localities. The hereby report includes the outcomes of administrative capacities assessment of 78 authorities of local public administration that comprised 10 district councils, 10 cities (including 4 suburban localities which are part of them) and 58 communes and villages (98 rural localities being part of them). This makes approximately 30% of the total number of districts, 20% of the total number of cities and cca 7% of the total number of country's villages.

In the Northern Region, the following districts have been assessed - Dondușeni, Sorooca and Sângerei, in the Central Region – districts Călărași, Hâncești, Nisporeni and Telenești, and in the Southern Region – districts Leova, Cantemir and Ciadir-Lunga. The geographical distribution and the number of assessed localities are presented as follows:



The map of the Republic of Moldova with the districts in which the administrative capacity of LPA authorities has been assessed.

Table 1 Geographical distribution of localities and number of inhabitants, 2010

Localities	Cities	No. of localities being part of them	Communes, villages	No. of localities being part of them	No. of inhabitants
Total	10	14	58	98	298329
Northern Region	3	4	16	36	106127
Central Region	4	7	27	41	114713
Southern Region	3	3	15	21	77489

Source: NBS, assessment surveys present the following data on the number of population: Northern Region – 107956; Central Region – 116015; Southern Region – 77260 inhabitants.

Therefore, the hereby Assessment Report covered the third part of the total number of districts from the Republic of Moldova, almost 20% of the total number of cities and cca 7% of the total number of communes and villages inhabited by over 300 thousand inhabitants.

The general characteristics of the LPA authorities have been assessed through the following indicators:

- Number of inhabitants per locality and the dynamics for the last three years (2008-2010). This indicator includes the analysis of the number of inhabitants from localities, comparison between the number of population and the minimal requested number as foreseen by legal provisions, and the analysis of dynamics in the number of population;
- Number of economic agents per capita. The number of enterprises per 1000 inhabitants has been calculated and compared with the district and national average;
- Local budget revenues per capita (year 2009). The indicator includes the analysis of the local budget revenues volume (of all the types of revenues) divided to the number of inhabitants from a locality;
- Own revenues per capita (2009). The indicator reflects only the part of own revenues of ATU per capita;

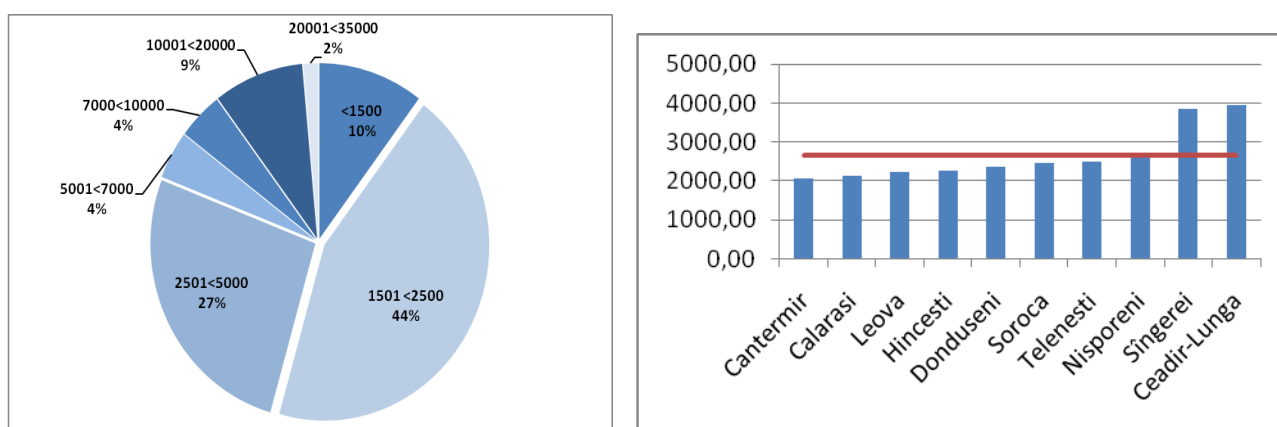
- Current infrastructure. The indicator evaluates the situation of roads, water, drainage, gas and electricity networks and the sanitation service compared with the average of these indicators per all assessed localities.

The administrative territorial units (ATU) covered by this paper include a different number of localities. The ATU (both urban and rural) of the Southern Region are characterized by presence of one single locality within an ATU (nevertheless, there are exceptions, as for example, the case of district Cantemir). The ATU of the Central Region are characterized by presence of 1-4 localities within an ATU, while in the Northern Region, every second ATU comprises 2 or more localities. In the Central Region, every fourth ATU comprises more than one locality.

The analysis of assessed localities according to the number of population shows that (Figure 1-1):

- The majority of localities (30 out of 68 or 44%) have a population between 1500 and 2500 inhabitants, while 12 out of them are edged to 1500 inhabitants;
- The number of population in 7 localities (10%) is less than 1500 inhabitants, which contradicts the provisions of the legislation that foresees the minimum number of inhabitants for the creation of an ATU and therefore, does not provide the minimum resources and capacity needed for the good functioning of the LPAA;
- Only 27% (18) of localities having between inhabitants 2500 and 5000 inhabitants, possess a relatively developed capacity that assures the minimum for the LPAA functioning;
- The biggest town is Soroaca, cca 40 thousand inhabitants; the other 9 towns do not even verge on the figure of 17 thousand inhabitants;
- The smallest localities are v. Păulești, d. Călărași - 983 inhabitants, v. Colibabovca and v. Sărățica Nouă, d. Leova, with less than 1100 inhabitants.
- The average number of inhabitants in these localities is 2582 people and it decreased between 2008 and 2010 with -0.3%. Urban localities, on the contrary, saw a slight increase of the population (+0.1%), fact asserting the migrational process from village to town in the last 3-5 years.

Figure 1-1 Structure of assessed localities per number of inhabitants, % and the average number of inhabitants per localities



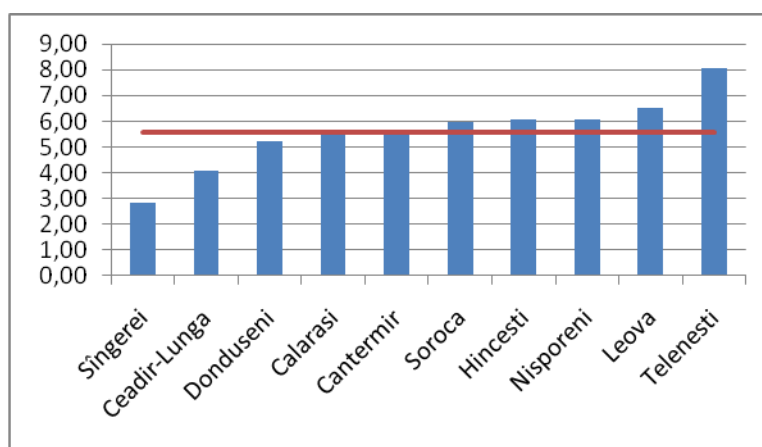
Source: National Bureau of Statistics, 2010

The smallest localities according to the average number of inhabitants belong to districts Cantemir, Leova and Calarasi: 2070-2100 inhabitants, followed by districts Hincesti, Donduseni, Soroaca, Telenesti. The biggest localities, with over 3800 inhabitants are in districts Singerei and Ceadir-Lunga.

The localities that have been assessed are **economically** underdeveloped. The analysis of the number of enterprises per 1000 inhabitants and comparing their indicators with the district and national average shows that the identified mean is lower than the mean per country or the mean per all these localities.

Having only 5.9 enterprises per 1000 inhabitants, the localities from districts Singerei, Ceadir-Lunga, Donduseni, Calarasi and Cantemir are below the national average.

Figure 1-2 Number of economic agents per 1000 inhabitants in rural localities, %



The economic structure of the assessed localities is diverse. The mean number of industrial enterprises in rural localities per 1000 inhabitants constitutes 1.2 (to be specified based on the surveys per Southern Region). District Telenesti has the highest indicator - 2.6. The industrial power is made up of enterprises working in such fields as: (a) mining industry; (b) garment industry, preparation and dyeing of fur; (c) production and distribution of thermal energy, gas and hot water; (d) food and beverage industry; (e) manufacturing of medical equipment and optical devices. Over 80% of the industrial power is concentrated in urban localities.

Figure 1-3 Number of industrial enterprises per 1000 inhabitants, 2009

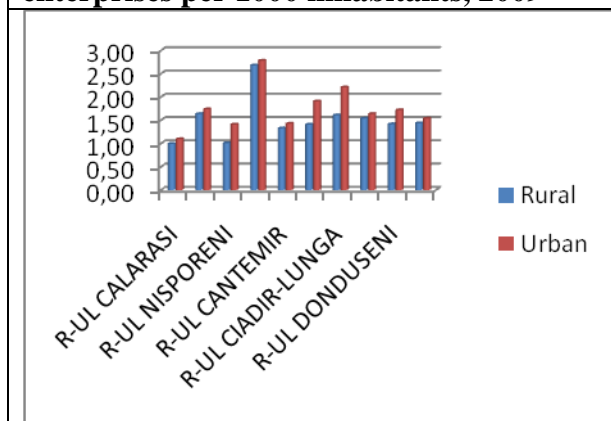
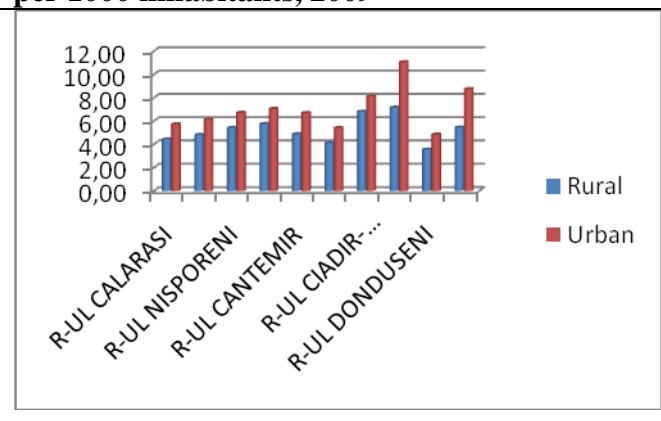


Figure 1-4 Number of commercial enterprises per 1000 inhabitants, 2009



Source: Assessment surveys, NBS 2010

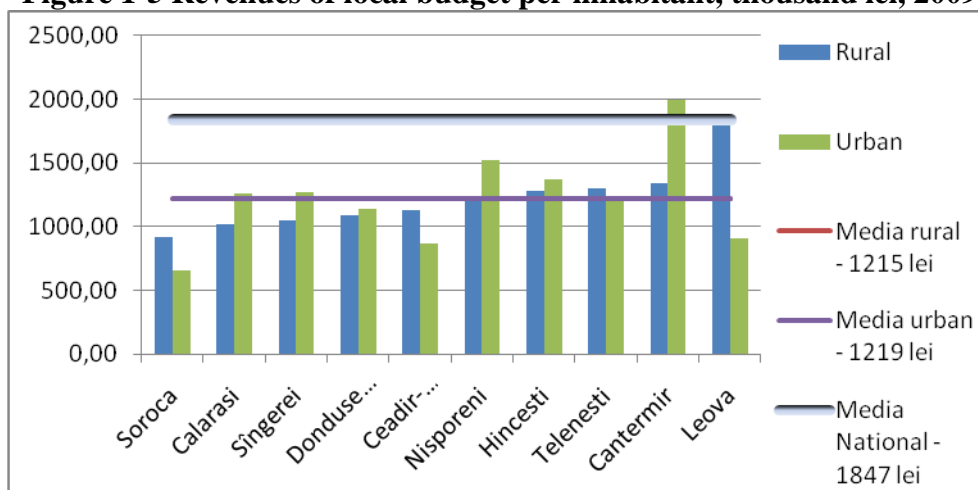
The commercial enterprises have a predominant place in the economic structure of assessed localities (Figure 1-3). Generally, there are four enterprises per 1000 inhabitants in the rural localities and this indicator reaches a higher value in the localities of districts Soroca and Ceadir-Lunga. In urban areas, there are, as a rule, 6.7 commercial enterprises per 1000 inhabitants. The majority of them are clustered in districts Soroca and Ceadir-Lunga. Districts Călărași and Donduseni have the smallest number of enterprises.

The analysis of ATU financial capacities for development (Figure 1-4) revealed significant drawbacks. Between 2005 and 2009, the average volume of the local budgets revenues per capita represented 1215.82 lei for rural localities and 1219.83 lei for urban areas (more than 100 USD/78 Euro). With such an

indicator, the majority of assessed localities go below the country average, which is 1847 lei. The volume of revenues per capita is twice lower, if compared with Chisinau.

There is a paradox at the rural-urban level. The value of the indicator is higher for the rural localities from districts Leova, Soroca, Ceadir-Lunga and Telenesti, than for district capital city. In 2009, the smallest revenues of the local budget per capita were registered in Soroca – 652.9 lei per inhabitant. On the other side, there is Cantemir with 2001 lei (a three times bigger value). The biggest revenue per capita in the rural areas was in Leova - 1835 lei.

Figure 1-5 Revenues of local budget per inhabitant, thousand lei, 2009

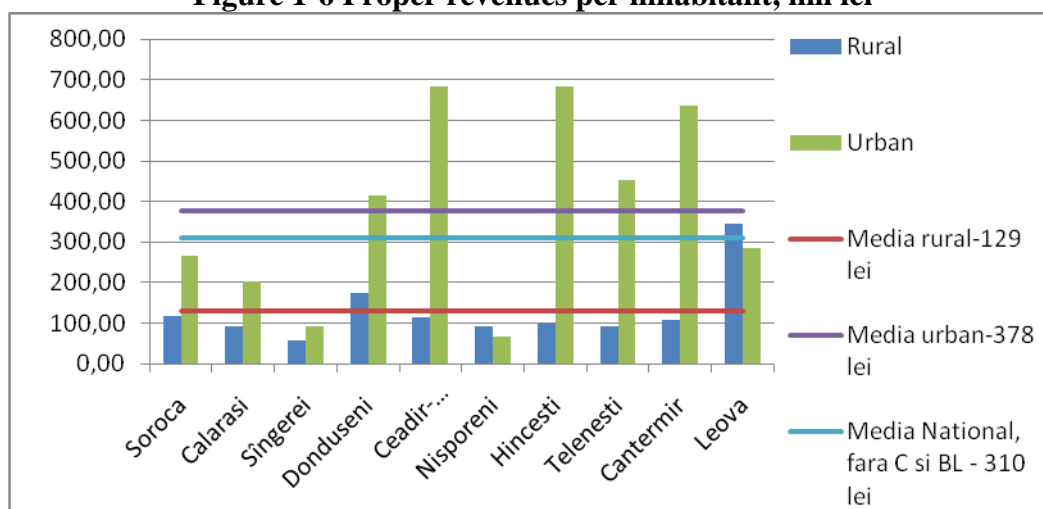


Source: Assessment surveys

When the value of individual incomes per capita is analyzed, there is a new picture. In 2009, the own incomes of ATU per capita constituted 129,4 lei (10 USD) for rural areas, which is below the national average (except Balti and Chisinau, with 310 lei). For urban localities, the value is 378,4 lei or more than 30 USD/24 Euro, which is a little higher than the national average, but less, if Balti and Chisinau are included – 630 lei, except Ceadir-Lunga, Hincesti and Cantemir.

Once more, there is a paradox at the rural-urban level. The indicator has a higher value only in districts Leova and Nisporeni than in district capital cities. As for the rest, the own incomes are higher in urban localities. In 2009, the lowest local budget incomes per capita were registered in Singerei and Nisporeni – only 66 and 99 lei per inhabitant. Cantemir, Ceadir-Lunga and Hincesti registered incomes of 684 lei (a 10 times bigger value).

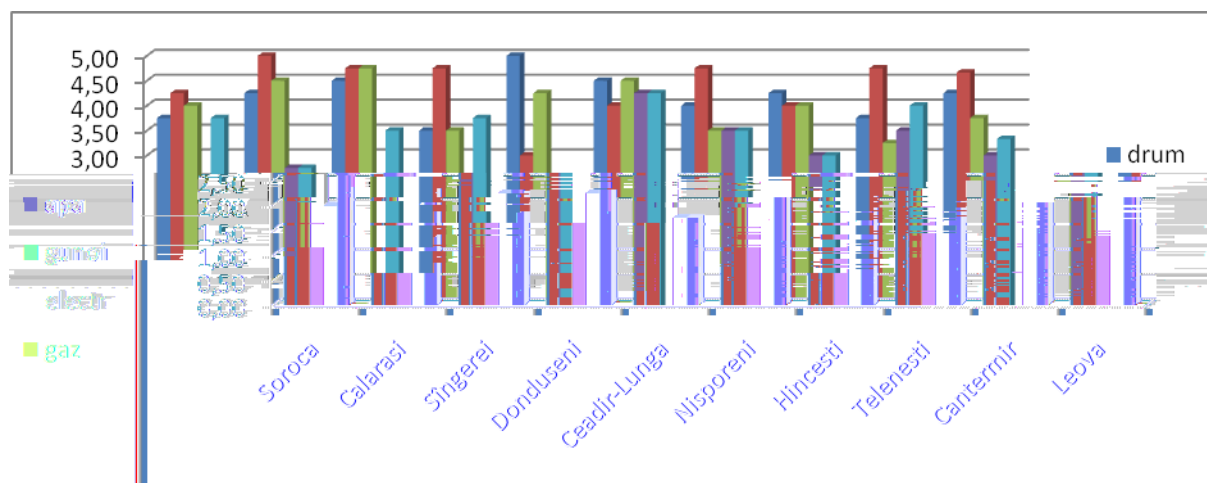
Figure 1-6 Proper revenues per inhabitant, mii lei



Source: Assessment surveys

The statistical data do not reflect the development of the associative sector in the territorial profile. Data from the assessment surveys show that at the beginning of 2010, at least 2.4 structures or NGOs would work in the assessed localities. These organizations promote members' interests (mainly parents and teachers) and provide consultancy and assistance services in elaboration and implementation of development/research programs and projects. The greatest number of organizations is in districts Soroca, Nisporeni, Telenesti, Hincesti and Leova (*to be specified based on the surveys*). Despite their increased number in the period between 2005 and 2009, the impact of their activity is still insufficient.

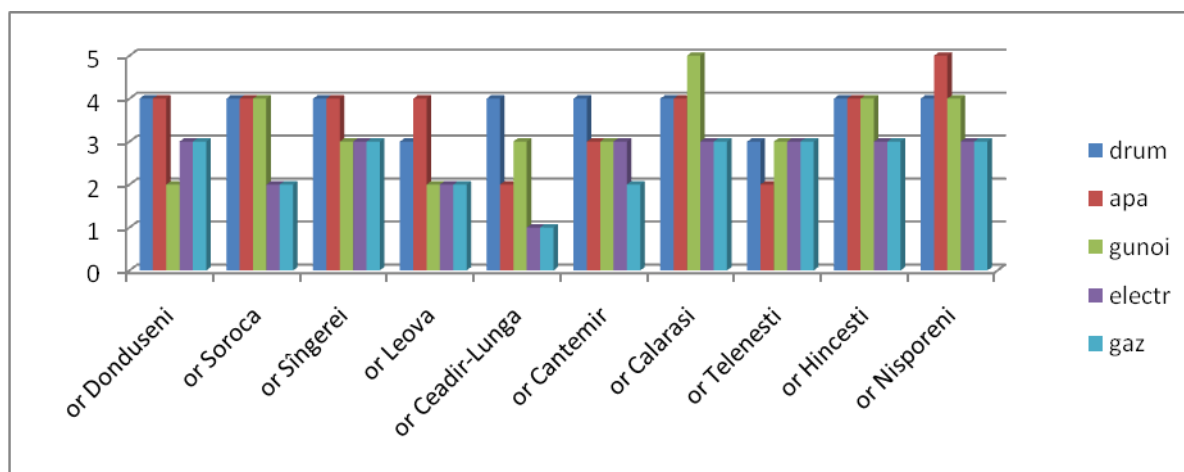
Figure 1-7 Rural infrastructure: 1 - very good/5 – very poor



Source: Assessment surveys

The assessment of infrastructure was carried out based on the outcomes of mayors and secretaries of the local councils' surveys. They were requested to evaluate the current state of the local infrastructure. The answers had a score from 1 – „very good” to 5 - „very poor”. The objects of assessment were roads, aqueducts, sewerage systems and water purification, waste and litter disposal.

Figure 1-8 District centres infrastructure: 1 - very good/5 – very poor



Source: Assessment surveys

The outcomes of assessment underlined the fact that the infrastructure from both rural and urban areas is considered „very poor” and needs major and urgent interventions. A bog problem of the rural localities from districts Calarasi, Hincesti, Cantemir, and Leova is the system providing drinking water. The roads lack signs and markings; the asphalt layer is unsafe and very often, in rural areas, there are road segments that are impracticable (district Ceadir-Lunga) and it is obvious that refurbishments were carried out in the

last century. Additionally, one could emphasize on the lack of ecological pits or litter collection systems. The problem is severe in Calarasi. Electricity, gas and telecommunication infrastructure was perceived as satisfactory and evaluated with “good” and „average” (Figure 1-7 and Figure 1-8).

Conclusions:

The analysis of general development data related to localities that have been assessed draws the following conclusions:

- 1) Assessed ATU are medium-sized, comprising 1-2 localities and a population ranging between 2000-3500 inhabitants and an underdeveloped economy.
- 2) The analysis of financial capacities of ATU underlined the high degree of poverty of those localities. In 2009, the average volume of the local budgets revenues per capita represented 1215.82 lei for rural localities and 1219.83 lei for urban areas (more than 100 USD/78 Euro). Own incomes per capita are 10 times lower in rural areas and twice lower in urban zones, fact proving a very weak development capacity.
- 3) Economy is underdeveloped and dominated by commercial enterprises. Existence of six enterprises per 1000 inhabitants is below the national and regional average.
- 4) At the level of ATU there are at least two NGOs that are involved into economic, social and cultural development and fund raising.
- 5) The assessment of infrastructure revealed that roads, water and drainage systems, litter/waste disposal systems from rural areas and district centres are in a very poor condition and need urgent intervention. The situation is better with gas, electricity and telecommunication systems from urban areas. In rural localities, these facilities are scanty.

Recommendations:

1. Administrative-territorial reinforcement of ATU that do not comply with legislation provisions and of those lacking administrative capacity;
2. Promotion of cross-community co-operation and cross-community co-operation mechanisms for delivery of public services and achievement of works of common interest;
3. Development of associative sector at local level;
4. Financial decentralization and enhancement of LPAA administrative capacity.

1.2 Normative Framework, Competences and Responsibilities

1.2.1 Analysis of the normative framework. In order to implement this Chapter the following indicators were considered:

- *The degree of administrative decentralization and the compliance of the normative framework that regulates the competences of the local public administration with the Law on Administrative Decentralization;*
- *The existence of normative and documentary support (normative acts, statutes, regulations, etc.)*
- *The degree of awareness of the competences and responsibilities (according to the organizational chart)*

The local autonomy and administrative decentralization were transformed from defining principles into standards in the organization of the local public administration in Europe. Thus, a modern local administration cannot be imagined without the pre-eminence of several fundamental principles: the

principle of autonomy, decentralization, deconcentration, public consultation and eligibility of local authorities. These principles, in the Republic of Moldova, are applied both at the level of constitutional regulation (Article 109), and at the level of legislation, a package of normative acts being adopted in order to develop the constitutional principles.

Since 1991, only in the period 1999-2002, period during which the territorial-administrative structure was reorganized and the institution of the prefect was introduced, the Republic of Moldova has come a little closer to a genuine administrative decentralization, a distribution of competences between the authorities responsible for administering the decentralized and deconcentrated public services taking place. In other periods, the inexistence of an effective mechanism of administrative and financial decentralization, the formalistic approach of certain constitutional principles, and the policies of centralization which prevailed whenever it was tried to introduce a new reform in the local public administration, did not allow the real decentralization of the public services, and therefore, an adequate local autonomy. Among the basic reasons that justify this statement, we would like to mention the following:

(1) In determining the areas of activity and the competences conferred to the local public administration, the complete and exclusive character of these tasks were not taken into account;

(2) The relationship between the local, regional and national interests was not understood, which must define the reason, extent and type of competences provided to each level of authority, partly. The communes, cities, municipalities – responsible only for the services related to the interest of that community, the district – responsible only for the public services that are of interest to the persons living in the district, and the central level – responsible for the decentralized services that correspond to the national interests;

(3) Many competences recognized as rights of the district and local public authorities were mixed, doubled or transmitted only formally, thus leaving a wide area of discretion to the central and district public authorities.

The normative framework that regulates the competences of the local public administration authorities in the Republic of Moldova includes a wide range of normative acts, from constitutional regulations to normative acts of the Government and of other public authorities. However, out of the abundance of normative acts that regulate the activity of the local public administration, we will refer to a set of basic legislative acts in accordance with which the local public administration is organized and functions.

Among these, we will mention the Law on Local Public Administration, the Law on Administrative Decentralization, the Law on Local Public Finance, the Law on Public Property of Administrative-Territorial Units, the Law on the Status of the Local Elect, the Law for the Approval of the Framework Regulation on the Establishment and Functioning of the Local and District Councils. However, the local public administration authorities, in the activity of exercising their competences, are governed by the statute of the village (commune), city (municipality) and by the regulation of the respective council, elaborated on the basis of a framework statute and framework regulation, adopted by the legislative body. Other legislative acts, which confer competences to the local authorities in different activity fields, depending on the regulation sphere of that normative act, must not come into conflict with these basic laws.

In the light of the revealed things, it appears that within the existing framework in the field of competences of the local public administration is quite impressive and regulates a wide range of problems, that completed the functions of the local administrative bodies with new competences and responsibilities. Anyway, the abundance of normative acts did not determine the local public administration system of the Republic of Moldova to show effectiveness in carrying out the tasks of the local public authorities, moreover, a confusing situation with conflicting regulations is created in many cases.

Under the influence of the Council of Europe, and of the commitments it made towards it, the Parliament of the Republic of Moldova in 2006 undertook a new attempt to modernize the local public administration system. The most important action in this respect may be considered the adoption of the Law No. 435 as of 28.12.2006 on Administrative Decentralization, but the adoption and implementation of this law proved to be different things, because the local public administration in the Republic of Moldova has not reached the level of local autonomy and administrative decentralization.

Law No. 435 as of 28.12.2006 on Administrative Decentralization

It is very important for the local public administration system from the Republic of Moldova that the constitutional principles set out in Article 109, were developed by introducing certain new principles, such as:

a) the principle of subsidiarity, which involves the exercise of the public responsibilities by the authorities which are closer to the citizens, except the cases in which the intervention of the higher authorities presents clear benefits that result from the extent and nature of the responsibilities and from the need to ensure the effectiveness of the public action;

b) the principle of equity, which involves the insurance of equal conditions and opportunities for all the local public authorities in order to achieve their goals in performing their competences;

c) the principle of competence integrity, which provides that any competence conferred to the local public authorities must be full and exclusive, its exercise cannot be contested or limited by another authority except the cases provided by law;

d) the principle of compliance of the resources with the competences, which implies the compliance of the financial and material resources allocated to the local public authorities with the extent and nature of the competences assigned to them in order to ensure their effective performance;

e) the principle of financial solidarity, which implies the state financial support of the least developed administrative-territorial units, especially through the application of certain equitable financial allocation mechanisms;

f) the principle of institutional dialogue, that implies the information and consultation by the state, in time, of the local public authorities, in the planning and decision-making processes, through their associative structures, on any issues that concern them directly or are related to the administrative decentralization process;

g) the principle of public-private, public-public and public-civil partnerships, which implies the guarantee of certain real opportunities for cooperation between the government, local authorities, private sector and civil society;

h) the principle of responsibility of the local public administration authorities, which implies, within the limits of their competences, the compulsoriness to achieve certain minimum quality standards established by the law in the provision of public services and public utilities they are responsible for.

The most important, however, is the fact that through Article 4 of that mentioned law, the fields of activity proper to the first level local public authorities and second level local public authorities were set. The establishment of the fields of activity of the authorities at different levels had to lead to a real competence transfer or to a real decentralization of the public services.

In order to liquidate the subordination relationships between the central and local levels, the law introduced the obligation for cooperation between the public authorities at different levels, which provides activities that must be performed through cooperation, they must be established in the agreements signed between the parties, under law, in strict accordance with the budgetary resources and the responsibilities assumed by them.

In order to prevent the abuses of the central public administration regarding the establishment of tasks towards the authorities of the local public administration, Article 6 of the law establishes the ways of competence delegation setting the provisions according to which the competences related to the central public authorities may be delegated to the first and second level local public authorities, observing the criteria of efficiency and economic rationality. The competence delegation is obligatorily accompanied by the insurance of the financial resources necessary and sufficient to fulfil them. The competence delegation is effective only after the transfer of the necessary and sufficient financial and material resources took place.

The fact that the present law is trying to establish the administrative capacity of the administrative-territorial units is also extremely important, establishing that an administrative-territorial unit is considered viable from the administrative point of view when it has the material, institutional and financial resources necessary for the efficient management and execution of its competences. The administrative capacity is recognized as adequate to the legal statute of a local public administration when its administrative expenditures do not exceed 30 percent of their total income.

In order to reduce the number of the bankrupt administrative-territorial units and not to allow their excessive increase, the law provides that the constitution of an administrative-territorial unit and the endowment with all its proper competences will be made only in accordance with the provisions of the Law on Administrative-Territorial Division of the Republic of Moldova and with the Law on Local Public Finance, based on certain clear criteria and primarily: the administrative-territorial unit must have administrative capacity, and if that capacity does not exist, then the Government, at the proposal of the State Chancellery, will seek solutions in order to improve the administrative capacity, and in case it fails to strengthen the administrative capacity of an administrative-territorial unit, the Government may decide to propose the creation of an administrative association with other neighbouring administrative-territorial units, in accordance with the legislation in force.

Weaknesses

1) For an effective implementation of the Law on Administrative Decentralization a new administrative-territorial organization is necessary, which would liquidate the districts as second level administrative-territorial units, the majority of them being bankrupt and unable to perform a normal development of certain adequate public services of regional interest; the weakening of the economic potential of the second level administrative-territorial cannot have another effect than – weak administrative-territorial units, or otherwise – poor administrative-territorial units;

2) At the district level, there is not any official institution responsible for the management of the decentralized public services, because the law says that these services will be offered through their territorial structures, directly managed by them. The clumsy attempt of the legislative bodies in 2006 to formally transform the Territorial Offices of the State Chancellery into Government representatives in the territory was not successful because, the law establishes general coordination for the Territorial Offices, at the territorial level, of the decentralized public service activity. The coordination, however, does not mean their management and responsibility for the obtained results. In accordance with the Law on Local Public Administration in 1998 the prefect, as a representative of the Government in the territory, was tasked to manage the decentralized public services of the ministries and also borne certain responsibility towards the Government, being not only an administrative guardianship body, but also a local public administration body. In fact, in accordance with the Law on Local Public Administration as of 2006, the Territorial Offices of the State Chancellery are entitled only to review the legality of the acts issued by the first level public authorities.

3) The State Chancellery and the Ministry of Finance have not fulfilled their obligation established by the Law on Initiation of the Administrative Capacity Assessment of the Local Public Authorities,

submitting the general situation and specific proposals regarding the administrative capacities of the local authorities within 12 months after the entry into force of the law;

4) In accordance with the law provisions, the Government did not approve an Action Plan that would establish the different stages of implementation of the administrative decentralization process in the Republic of Moldova, and the State Chancellery, in cooperation with the specialized authorities of the central public administration and with the associative structures of the local public authorities and with the civil society; it did not elaborate and submit to the Parliament draft legislative acts on the administrative decentralization stages in the Republic of Moldova.

As a result, in all the assessed localities the situation regarding the administrative capacity is almost identical to that shown in Table 1.

Table 1. The proportion between administrative expenditures and proper incomes in certain assessed localities.

Mayoralty	Proper incomes	Administrative expenditures	Proportion %
MOSANA	284.57	282.4	99.24
SCAIENI	132.5	239.8	180.97
CORBU	284.97	390.9	137.17
COTIUJENII MICI	185.56	231.6	124.81
RACOVAT	176.71	287.4	162.66
ZASTINCA	231.82	385.6	166.32
SOLCANI	158.5	272.7	172.06
OCOLINA	131.46	338.0	257.09
DONDUSENI DISTRICT	5142.4	2800. 2	54.45

Source: The Assessment Questionnaire

Law No. 436 as of 28.12.2006 on Local public Administration

The present law is the basic regulation in the organization and functioning of the local, municipal and district public authorities. With the adoption of the Law on Administrative Decentralization, the Law on Local Public Administration was adopted in a new version. The law seeks to connect the competences of the first and second level public authorities with the activity fields of these authorities established by the Law on Administrative Decentralization;

In order to demonstrate the autonomy of the local councils towards the district and central authorities, Article 14 provides in the Chapter on Basic Competences of the Local Councils, the competence by which the councils approve independently, at the mayor's proposal, the organizational charts and staff lists of the mayoralty, subordinate public structures and services, as well as their staff remuneration scheme;

The law stipulates that the central public administration authorities cannot establish or impose competences to the local public authorities without a prior assessment of the financial impact that these competences could generate, without consulting the appropriate level local authorities and without providing the local communities with the necessary financial means.

The local public services are organized by the local councils, at the mayor's proposal, in the decentralized activity fields established for the first and second level administrative-territorial units, within the limits of the available resources. The local council may decide to contract certain public services of local interest from private law natural and legal persons, in accordance with the law.

The local public authorities have their own tax base (distinct from that of the State), consisting of taxes, the amount of which is determined in accordance with the Law on Local Public Finances. The tax base of the local public authorities will be proportional to their proper competences provided by the Constitution, and by other legislative acts.

The distribution procedures of the financial resources of the local public authorities, as well as any amendment of the legislation concerning the functioning of the local public finance system will obligatorily be coordinated with the representative structures of the local public authorities. Any competence delegation without allocating the financial resources necessary to cover the cost of those competences is prohibited.

Weaknesses

1) The current organizational, functional and financial capacities of the first and second level local public authorities do not largely correspond to the competences established by the law.

2) The competences of the first level administration authorities were established only formally, without determining from where to take these financial resources in order to fulfil them. Thus, the local public authorities were vested with competences for the fulfilment of which have no patrimony, financial resources and/or necessary human resources or appropriate capacities.

3) A quite impressive number of normative acts provide competences for the local public authorities in very many fields, the legal nature of which remains unclear: are they proper or delegated competences of the local public administration. Their ways of exercising and financing depend on this fact.

4) The law does not provide the fields in which the competences may be delegated from the central to the local level, leaving this important prerogative on the account of the central public authorities.

5) As a result, was created a situation in which the lack of connection between the rules of the Law on Local Public Finance and those of the Law on Administrative Decentralization and the Law on Local Public Administration generated confusions and legislative contradictions.

6) A confusing provision is established for the administration of Chisinau municipality, through which after the date established for the local general elections in 2011, in the municipality will be introduced sector mayoralties as representative public authorities (the re-establishment of the former district councils). The excessive political pluralism in the composition of the municipal deliberative authorities will torpedo the efficient and uniform development of the municipal sectors.

Law No. 397 as of 16.10.2003 on the Local Public Finance

The local public finances constitute a system of economic relations, through which occur the distribution and redistribution of the income and financial funds used for the economic and social development of the local administrative units. Through the local finance, the state achieves its social policy, equalizes the economic and social potential of different territories. The degree of local autonomy is in direct dependence upon financial autonomy, i.e. the right and opportunity of the

administrative-territorial unit to have sufficient financial resources in order to carry out its competences established by the Law.

A new Law on Local Public Finances was part of the package of laws that the Parliament had to adopt together with the Law on Administrative Decentralization and the Law on Local Public Administration in 2006. Unfortunately, the commitment assumed and promises made towards the Council of Europe were not met, and the old law adopted on 10 October 2003 remained into force. This led to the annihilation of the provisions of the Law on Administrative Decentralization and the Law on Local Public Administration in the Chapter on Consolidation of the Local Autonomy by Public Service Decentralization.

Weaknesses

1) The law is not connected with the basic laws of the local public administration (the Law on Administrative Decentralization and the Law on Local Public Administration) and regulates contradictorily certain competences and financial obligations of the local and district public authorities;

2) The law does not provide any legal mechanism that would insure the territorial-administrative units with the financial resources necessary for carrying out the tasks delegated by the State. As a result, occurs a situation in which the possibility of competence delegation is not realized, because it can not be insured with adequate financial resources.

3) The majority of taxes with a high rate of collection are taken in the state budget, but for the local public administration are established taxes and fees involving low fiscal benefit. There are no stimulating mechanisms for the local public administration in order to encourage the development of local economy, and thereby, the expansion of tax base.

4) The current distribution system of the regularizing incomes has as effect the excessive intervention of the central public administration and the second level local public administration in the financial resource management to the detriment of the first and second level local public administration, including delays in making transfers by the second level local public administration to the first level local public administration. As an effect, the first level local public administration is dependent on the decisions of the central public administration and the second level local public administration. Also, there are no objective criteria for assessing the general state income redistribution to the local public administration.

5) The existing transfer system is inefficient. The Law No. 435 on Administrative Decentralization provides that in order to increase the financial capacity, the local public authorities are provided with general-purpose transfers. The procedures for calculating the general amount of these transfers are set by the Law on Local Public Finances. In fact, the Law as of 16.10.2003 on Local Public Finances provides transfers from the account of the financial support fund of the administrative-territorial units, for levelling their financial opportunities, as well as special-purpose transfers, for the exercise of the additional functions delegated by the Government. The current formula for calculating the transfers is simplistic and does not take into consideration the factors characterizing objectively the compensation needs with financial resources at local level, the transfers are not transparent and are based on [subjectivism](#);

6) The multiple unjustified facilities and fiscal incentives cause the tax base restriction, the reduction of proper local incomes and the erosion of fiscal equity by unjustified encouragement of certain imposing economic agents. The local public administration does not have legal rights and real leverage for influencing the taxpayers in order to insure the opportunity and completeness of payment of the local taxes and fees.

7) The existing system of the local public finances generates a situation by which, as the city is smaller and has an agriculture-oriented economy, the proper income percentage is much smaller in the local income structure. This state of affairs is caused by the imperfection of the financial system in the country, since the budget income collection is usually performed in the locality where the agricultural production is processed and not where it is produced. Therefore, the system is facing a

phenomenon of budgetary income movement from the rural agrarian localities in the industrial localities.

8) The structure of the local public expenditures and the extent of transfers are determined by the norms established by the superior bodies, which reduces the degree of local autonomy, because the leaders are strictly limited in receiving decisions of financial resource allocation. The freedom in deciding the allocation of financial resources may be exercised only on additional incomes (that exceed 100% of the standardized expenditures, but not less than 120%). However, less than 10% of localities in the country have incomes that exceed the standardized expenditures, the rest of them are totally dependent on the indications and norms of the superior bodies.

9) The hierarchical dependence on the distributive policies of the Ministry of Finance continues to be a factor of political mobilization and political influence overbid in the process of local public administration.

Law No. 523-XIV as of 16.07.1999 on Public Property of Administrative-Territorial Units

The main regulating object of the present law is related to the regulation of the relations regarding the occurrence, exercise and protection of the public property right of the administrative-territorial units, the establishment, demarcation and guarantee of the property right of the administrative-territorial units as a form of public property, the identification and delimitation of the public property and the private property of the administrative-territorial units.

Weaknesses³

1) The existence of contradictions and the lack of compliance with the Law on Local Public Administration (No. 436 as of 28.12.2006), the Law on Public Property and its Demarcation (No. 91-XVI as of 05.04.2007), the Law on Public Property Administration and Privatization (No. 121-XVI as of 04.05.2007), the Civil Code (*No. 1107-XV as of 06.06.2002*);

2) It contains confusing, superficial, contradictory and restrictive provisions regarding the legal regime of the public property, the legal regime of the goods belonging to the public property and of those belonging to the private property of the administrative-territorial units;

3) It contains confusing and contradictory provisions regarding the guarantee and protection of the property right of the administrative-territorial units (Article 10 etc.);

4) It allows the Government's interference in the inventory process of the public property of the administrative-territorial units (Article 14);

5) It contains contradictory provisions regarding the demarcation of the public property of administrative-territorial units from the state public property (Article 15 provides that this demarcation should have been done until 1 January 2000 despite the fact that in the case of public property this process has not been finished yet);

6) It does not contain clear provisions that enabled the identification and demarcation of the property of administrative-territorial units, of those which constitute public property and of those which constitute private property;

7) It does not contain provisions that established the legal regime of the public goods and private goods of the administrative-territorial units;

8) The lack of provisions that set limits and insured the exercise of the property right over the patrimony from the property of the administrative-territorial units;

9) The lack of a clear demarcation between the goods and patrimony that may be the property of the first level administrative-territorial units from those that may be the property of the second level administrative-territorial units;

10) The lack of competence demarcation between the first level local public administration and the second level local public administration in relation to the exercise of property right over the owned goods;

³ In this respect, see the Legal Expertise on the Compliance of a Package of 21 Legislative Acts with the Provisions of the Law No. 436-435-XVI and the Law No. 436-XVI

11) The lack of demarcation between the competences of the village, commune, city and municipal councils and the competences of their mayors;

12) There are no provisions that established and provided obligations for the local public administration in the process of exercising the property right of the respective administrative-territorial units.

Law No. 768 as of 02.02.2000 on the Status of the Local Elect

The status of the local elect contains provisions regarding the eligibility, incompatibility and restriction conditions in exercising his/her mandate, or its duration which are included in the Electoral Code, the Law on Local Public Administration, and others, as well as in the provisions that refer to the obligations of the local elected officials, the conditions of reimbursement of expenditures while exercising their functions, the social guarantees in exercising their mandates, the working and remuneration conditions etc.

Weaknesses

1) In Article 4, paragraph (1) is provided the stipulation according to which “*Any imperative mandate is null*”. By analogy with the parliamentary mandate, the mandate of the local elect is determined as a public mandate with which the local council's members are vested by election, a mandate the content of which is established by the constitutional norms and organic laws under which the local elect participates in the autonomous exercise of the local public administration. As the parliamentary mandate, the mandate of the local elect does not imply any legal relationship between the voters and the elected officials, no subordination relationship and no agreement existing between them.

2) The specific characteristics of the mandate of the local elect are: generality, independence, irrevocability and legal protection. The independence of the mandate insures the freedom of action of the local elect in the interest of the local community. Once the mandate of a local elect has a representative character, as the parliamentary mandate, it enjoys irrevocability, i.e. protection of the independence of the local elect in exercising his/her mandate. But in Paragraph (2) of Article 5 it is established that: “The councillor’s mandate ceases earlier in case he/she is absent without good reason from three consecutive meetings of the council or committee to which it belongs; Paragraph (4) of the same Article provides that the mayor’s mandate may also be revoked by local referendum, in accordance with the Electoral Code. At the same time, these provisions were excluded from the Law on Local Public Administration, as well as from the Electoral Code, but remained into force in the present law.

3) The law in Article 13 establishes a set of rights of the councillor in exercising his/her mandate, but at the same time the law does not provide certain obligations of the councillor towards the community that elected him/her.

4) When referring to mayors, who are also local elected officials, we observe that they have no rights or obligations, which is not correct, because the fact that the local community elects officials in certain positions must oblige them to have a specific behaviour in exercising their mandates.

1.2.2 Competences of Local Public Administration

For clear demarcation of the competences between different levels of the local public administration, as well as of the competences of the central public administration in order to manage the public services of local, regional and national interest, the Law No. 435 on Administrative Decentralization was adopted, which in Article 4 sets the activity fields of the first and second level local public administration.

In order to fulfil the activity fields of the first and second level local public administration, by the Law on Local Public Administration is established the provision according to which the local public administration authorities benefit from decision-making, organizational, managerial and financial

autonomy, have the right of initiative in all matters of local public administration, exercising, under law, their authority within the limits of the administered territory.

The local public authorities are provided by law with general competence and are characterized by the fact that they have full tasks in all the established fields, which shows that the exercise of tasks takes place only within the limits of the administrative-territorial unit and in accordance with the law.

At the same time, it is necessary to ascertain that the multiple activities of the representative local public authorities are mentioned in various legislative acts regulating the social relations in specific fields such as: the Land Code, the Law on Vegetable Kingdom, the Law on Fish Stock, Fishing and Fish Breeding, the Law on Education, the Law on Health Protection, the Law on Local Taxes and Fees, the Law on Budget System and Budget Process, the Law on Status of the Councillor in the Local Council and many others. The analysis of these legislative regulations highlights the fact that they are not corroborated with the basic regulations of the local public administration which are included in the Law on Administrative Decentralization and the Law on Local Publication Administration.

The consolidation of all the acts concerning the activity of the local public administration is a necessity determined by the law. Thus, Paragraph (A) of Article 10 of the Law on Local Public Administration stipulates that: “The local public authorities carry out their activity in the fields established by the Law on Administrative Decentralization, having full competences that cannot be undermined or limited by any public authority, except in accordance with the law.

Paragraph (3) of the same Article states that: “The central public administration authorities cannot establish or impose competences to the local public authorities without a prior assessment of the financial impact that these competences could generate, without consulting the appropriate level local authorities and without providing the local communities with the necessary financial means”.

In reality the situation is otherwise. The abundance of competences established by multiple normative acts, laws, regulations, as well as the Government Decisions, determine the local public administration authorities to confuse their basic tasks with the delegated ones, to not be able to identify the competences that come into conflict with the activity fields of the local public administration established by law.

Thus, according to the criteria of administrative decentralization, education is not the proper field of competence of the local public administration. In the case of the second level local public administration authorities, it is established only that they exercise other educational activities. However, the Law No. 397/2003 on Local Public Finance in Article 8, Paragraph 2, Section 5 provides that the maintenance of the pre-school, primary, gymnasium, secondary, lyceum and complementary (extracurricular) educational institutions, of other educational institutions serving the population of the respective locality is made from the budgets of the respective administrative-territorial units. Paragraph 4 of the law also provides that from the district budgets are financed the expenditures related to the maintenance of lyceum educational institutions serving the population from one or more first level administrative-territorial units, with the permission of the respective local public administration authorities, related to the maintenance of the institutions of secondary vocational education, boarding schools, boarding gymnasiums with special regime, related to methodological activity in the field of education, as well as to other activities and institutions⁴.

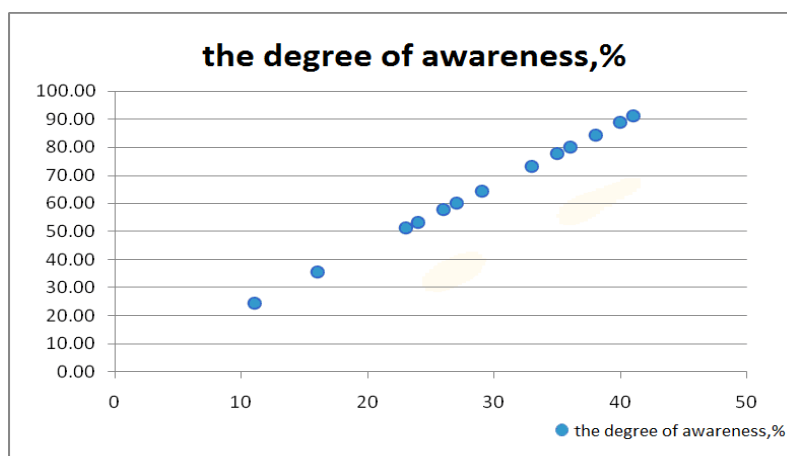
The Law on Education has the same shortcomings, in Article 45 it establishes competences of the local public authorities which are provided by the basic laws of the local public administration.

⁴ For more details see: Andrian Chivriga, Viorel Furdui, Organizarea și funcționarea APL în Republica Moldova: competențe, structura și resurse (Organization and Functioning of the Local Public Administration in the Republic of Moldova: Competences, Structure and Resources), IDIS “Viitorul”, 2009

Thus, the local public authorities are obliged to ensure the social protection of teachers in the educational institutions (distribution of living space, provision of facilities, in accordance with the law in force, etc.); to insure free transport for students to and from the educational institutions in rural areas, at distances beyond 3 km; to organize free medical assistance and nutrition for children, rest and comfort for pupils and students during holidays.

The following important data resulted from the way in which questionnaires were completed, in connection with the data collected by the organizational chart: 100% out of those 100% in towns and of those 100% in villages misidentified their proper tasks and the delegated tasks in the organizational chart.

Figure 1-9. The degree of awareness of the village mayoralties regarding their proper tasks



Source: Assessment Questionnaire

The degree of awareness of the village mayoralties regarding their proper tasks is included within a range from 20% to 90%.

In respect to awareness of the city mayoralties regarding their proper tasks, this range is more restricted and shows values between 64% and 72%.

- 66.7% of the respondents from districts, 30% from cities and 20% from villages asserted that there were no situations in which they were obliged to perform activities that were not included in their tasks and that implied expenditures that exceeded the budget Table (7. 6);

- 33% out of the others stated that the financial effort in these cases was “high”; and 22% stated that the financial effort was “quite high”. Only 42% affirmed that the additional financial effort was “quite low”.

Even in the job description of the mayors of the assessed communes it is observed that only 22.39% were introduced the tasks in the job description, 30% do not know what tasks should include (Table 2). This is an extra demonstration that the problem of tasks is a very sophisticated one, because the mayors hardly understand which are their task categories provided in the abundance of normative acts that regulate this competence.

Table 3 demonstrates the same thing when considering the situation of additional tasks, which proves that there is a misunderstanding of the category of additional tasks, or delegated tasks that must be covered financially.

LPA Type	AVERAGE	dev std	minimum	maximum	Interval of 95% confidence in population average		No. Of valid answers	NS/NR
					minimum	maximum		
District	16	5.9	5	25	10.5	21.5	7	3

City	20.6	8.33	5	28	13.6	27.3	8	2
Commune	22.39	7.4	5	33	19.5	25.3	28	30

Source: Assessment Questionnaire

Table 3. Situation in which were performed additional tasks

<i>Additional tasks</i>	<i>DISTRICT</i>		<i>CITY</i>		<i>COMMUNE</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
YES	4	44.4%	7	70.0%	44	80.0%
NO	6	66.7%	3	30.0%	11	20.0%
NS/NR	0		0		3	
Total No. of units	10		10		58	

Source: Assessment Questionnaire

Table 4. Perceptions regarding the level of additional effort

<i>Dimensions of effort</i>	<i>LPAA</i>	
	<i>No.</i>	<i>%</i>
<i>Very high</i>	1	2.2%
<i>High</i>	15	33.3%
<i>Quite high</i>	10	22.2%
<i>Low</i>	19	42.2%
<i>Hardly to assess</i>	16	

Source: Assessment Questionnaire

At the same time Tables 5 and Table 6 demonstrate that the civil servants from mayoralities do not know the activity fields established by the Law on Administrative Decentralization because, 19% consider that the notary services should be exercised by other public authorities, while 10% consider that these tasks should be exercised by the local public administration bodies.

Table 5. Top listing of the tasks that should be exercised by other authorities

Tasks exercised for other authorities	<i>TOTAL</i>	
	<i>No.</i>	<i>%</i>
Recruitment / enrollment in the national army	21	44.7%
Notary services	9	19.1%
Civil protection	5	10.6%
Ecological problems	5	10.6%
Control of technical systems (constructions, gasification)	5	10.6%

Road repairs	5	10.6%
Educational system	5	10.6%
No. of valid units	47	

Source: Assessment Questionnaire

Table 6. Top listing of the tasks that should be exercised by the local public administration authorities (but not by other authorities)

Tasks exercised by other authorities	TOTAL	
	No.	%
Social assistance	5	26.3%
Identity Card Issue	4	21.1%
Municipal police	3	15.8%
Public finances	3	15.8%
Fund for Population Support	2	10.5%
Notary services	2	10.5%
No. of valid units	19	

Source: Assessment Questionnaire

Conclusions

1) The analysis of the legislative framework which assigns competences to the local public authorities allows to find out that the majority of the relevant normative and legislative acts do not make a clear demarcation between the local public authorities at different levels, and because of this, the provisions of the Law on Administrative Decentralization which establishes the proper activity fields of the first and second level local public administration;

2) The competences of the first level administration authorities were established only formally, without determining the source of financial resources in order to be performed. Thus, the local public authorities were vested with competences for the realization of which have no patrimony, financial resources and/or necessary human resources or appropriate capacities;

3) The competences of the local public authorities in the field of education, health, social protection, local heritage management are confusing and contradictory because, they establish obligations that are in contradiction with the activity fields set by the Law on Administrative Decentralization⁵;

4) The fulfillment of the competences of the local public administration are in high dependence on the transfers from the state budget that reveals the low degree of autonomy of the local public administration, as well as the reduced capacity to meet the citizens' needs at local level;

5) The confusions admitted in the normative framework of the local public administration explain the poor awareness of the local public administration authorities and officials regarding their competences, as well as the inability to identify the competences that are not related to the activity fields established for the local public administration authorities by the Law on Administrative Decentralization.

6) The ability of the Territorial Offices of the State Chancellery with the right of general coordination of the decentralized public service activities creates confusion and

⁵ A se vedea mai pe larg: Andrian Chivriga, Viorel Furdui, Organizarea și funcționarea APL în Republica Moldova: competențe, structura și resurse, IDIS "Viitorul", 2009

impediments in the development of the decentralized public services. The activity coordination does not provide any form of responsibility for the inefficient activities of the decentralized services.

7) An extremely important problem for the local autonomy is the legal protection, or the right of the local communities of protecting their own interests by effective methods. In this respect, the Law on Local Public Administration does not contain a special chapter or article that established concrete forms of protection of the local autonomy in compliance with Article 11 of the European Charter which expressly provides that: “the local public authorities should have the right to apply to the courts in order to insure the free exercise of their competences and the observance of the principle of local autonomy”

Recommendations:

1. The use of “guillotine” method on all the legislative acts establishing competences to the local public administration in various fields, (besides the basic laws mentioned by us in the present study), and the establishment of new competences, connected to the Law on Administrative Decentralization and the Law on Local public administration;

2. The undelayed fulfillment of the requirements established by the Law on Administrative Decentralization by assessing and establishing the administrative capacity of the first and second level local public authorities, and the liquidation and merging of those that do not meet the set parameters. For this purpose, the Government will elaborate and approve the framework methodology of assessing the administrative capacity of the administrative-territorial units;

3. The elaboration of the criteria based on which must occur the process of administrative decentralization or competence transfer towards the local public administration according to three competence categories: (1) exclusive/proper, (2) shared and (3) delegated by the central public administration;

4. The provision of direct access of the local public administration to the constitutional jurisdiction, in accordance with the experience of other states in this field, but also by analogy with the right of the Autonomous Territorial Unit of Gagauzia, as well as the right to appeal to the administrative courts the Government decisions that affect the rights of the local public administration;

5. For a more efficient public administration, based on the principles of local autonomy and administrative decentralization, it is necessary to establish a strict demarcation of the responsibilities of the public authorities for material and moral damage caused to the administrative-territorial unit, to the state in general, separately regulating all the forms of responsibilities (civil, administrative, criminal, disciplinary) of the Government, mayor, district president, councils at all levels, officials in high responsible positions representing the authorities dealing with the administration of the public sector, both at central and local levels;

6. For a real administrative decentralization, it is strictly necessary to restore the institution of the prefect, the Government representative in the territory, as a public authority directly involved in the local public administration process and being responsible for the results of the administration of the decentralized public services.

1.3 Organization, functional framework and decision-making process

The present Chapter was made on the basis of the following indicators:

- *The existence of framework regulations and framework statutes;*
- *The dependence of the local councils on the standard organizational charts recommended by the Government;*
- *The level of endowment with IT&C per employee in the standard organizational chart;*
- *The number of decisions consulted with the population out of the total number of all made decisions;*
- *The level of transparency insurance in the decision making process (the number of means and forms of transparency insurance);*
- *The existence of the mayoralty's web page.*

1.3.1 Compliance of administrative structures and means with the missions of local communities

The internal structure of the local council depends on the size of the concerned community, the patrimony it manages, and its available budget. In this respect, the Law on Local Public Administration stipulates in Article 11 that the local councils are composed of councillors elected under the Electoral Code. The number of councillors is established depending on the number of inhabitants of the administrative-territorial unit on 1 January of the year in which elections take place, according to the statistical data. The law establishes a number 9 councillors for the localities having up to 1500 inhabitants.

This regulation is a negative one because, it encourages the creation of local public authorities in the rural areas which lack sufficient financial resources for the administration of their local public field.

The organization and functioning of the representative local public authorities occurs in accordance with the Law No. 436 on Local Public Administration and the Law No. 457 as of 14.11.2003 for Approval of the Framework Regulation on the Establishment and Functioning of Local and District Councils.

After the legal constitution of the local, district council, the councillors form factions, alliances, blocks, and then form specialized advisory committees for the main fields of activity. The fields of activity in which the specialized committees are formed, their names and number of members, which must always be odd, is established by the local, district council, depending on the characteristics and needs of each administrative-territorial unit. At the council's decision, the committee may be formed for several fields of activity. The main fields of activity in which may be organized specialized committees are provided in the Annex.

The fields of activity in which may be formed the specialized committees provided in the Annex of the law are not connected with the activity fields of the local public administration established in the Law No. 435 on Administrative Decentralization.

In accordance with the Law No. 436 on Local Public Administration (Article 22), the issues on the agenda of the local council's meeting is reviewed by this if they are accompanied by the notification or report of the council's specialized committee and, where appropriate, by the report or notification of the mayoralty and/or of the line subdivision of the decentralized or deconcentrated public service, as well as by the synthesis of the recommendations received during the public consultation. The specialized committee of the local council has the following main tasks:

- a) identifies and examines the problems in its field of activity that must to be solved by the council;
- b) analyzes the draft decisions of the council and predicts the consequences of their implementation;
- c) elaborates notifications on the draft decisions on the considered problems, submitted by the committee;
- d) makes decisions on other issues submitted to the committees for approval by the council.

At first sight it seems that the obligation to examine one or another problem by the council, obligatorily accompanied by the committee's notification is a correct rule but, the experience shows that in the conditions of excessive political pluralism, the committee can block the examination of the respective issue, refusing to submit the respective notification.

In their activity, the councillors can address questions, in writing or orally, to the mayor, deputy mayor, district chairman, district vice-president and to the council's secretary, heads of the local public services, as well as to other persons in responsible positions invited to the council's meeting.

Information on an unknown fact is required by question. Those who are asked, will usually, answer immediately or, if not possible, at the next meeting of the council.

The interpellation consists in a request by which are asked explanations about a known fact. The interpellated person must give an answer in writing, until the next meeting of the committee, or orally, at the next meeting, according to the request of the interpellation's author.

The local councils, except the council of Chisinau municipality, do not their proper leadership (the president is elected only at each meeting to preside its work), it lacks a proper technical apparatus. Establishing this regulation, the legislative bodies meant the use of the mayoralty's apparatus for the organizational and technical service of the council, because even the committee's convening is made by the mayor. However, the law sets that the council is a deliberative authority, the mayor is the executive authority and, therefore, there are no subordinate relationships between them, and because of these reasons, the mayor's influence over the committee should be minimal.

From these considerations the position of council's president becomes necessary in this way being diminished the mayoralty's influence on the activity of the council.

The executive body of the village, city, municipality consists of a mayor, elected by the direct, universal, secret and freely expressed vote of the respective community. The local council, at the mayor's proposal, decides to institute the position of the deputy mayor and establishes the number of deputy mayors who will assist him/her in carrying out his/her tasks in accordance with the law. The mayoralty and the statute of the mayoralty's staff is organized and functions under a regulation approved by the local council that provides the conditions of appointment, employment, promotion, sanction and dismissal of the mayoralty's staff, their rights and obligations. In accordance with the Article 14, Section 1) the local council approves, at the mayor's proposal, the mayoralty's organizational chart and the members of the subordinate public structures and services, as well as their staff remuneration scheme.

The law does not provide that the organizational chart and staff list must be in accordance with the organizational chart and staff list approved by the Government.

Although the law sets out the full right of the local and district councils staff to determine the necessary number of their members in apparatuses and institutions, the Government Decision No. 688 as of 10.06.2003 on the Structure and Staff List of the Mayors of Villages (Communes), Cities (Municipalities) and No. 699 as of 10.06.2003 on the Organizational Chart and Staff List of the Apparatus of the District President, departments, divisions, other subdivisions subordinate to the District Council are kept into force till now.

Furthermore, even the current Government by Decision No. 99 as of 16.02.2010 on the Approval of Limits in the Number of Staff Units and Staff Expenditures in the Budgetary Sector for the Central and Local Public Administration Authorities for 2010, even in spite of the recommendation character of the Decision, ignored the constitutional principle of local autonomy, as well as the right of the local public administration to decision-making, organizational, managerial and financial autonomy and the right of initiative in all matters of local public administration, exercising, in accordance with the law, its authority within the administered territory.

In fact, because of the current system of local public finances, the vast majority of local public authorities are obliged to strictly comply with this government act. Any attempt to show initiative in this direction and exceed the established limits, are controlled and rejected by the administrative control bodies and financial bodies of the second level local public authorities and by the central public authorities (General Departments of Finance and the Ministry of Finance).

The same thing can be said about the remuneration of civil and technical servants of the mayoralty's apparatuses, the salarization level of which is also determined by the state bodies. Thus, the expenditures for the maintenance of the administrative apparatuses of the mayoralty's councils are calculated based on the Government Decisions on Organizational Charts and Standard Staff Lists, and must take into account the Government Decision No. 525 as of 16.05.2006 on the Remuneration of the Civil and Technical Servants.

The unique tariff network is an inheritance from the old regime in which the state established the tariffs for any performed work. At present, the state may establish unique tariffs for the positions which are remunerated from the state budget, as regards the local public administration officials, we consider that the establishment of staff lists, the size of wages is a problem related to the respective deliberative authorities, the activity of which is organized based on the principle of local autonomy that also implies financial autonomy. The state intervention in this field can be regarded as an attempt upon local autonomy.

In accordance with the Law No. 436 as of 06.11.2003 on the Framework Statute of the Village (Commune), City (Municipality), the local councils are obliged to elaborate and approve the statute of the respective administrative-territorial unit, which will contain specific data and elements, that are designed to individualize them compared to other similar units. The Assessment Questionnaire showed (Table 7) that this provision of the law is not observed by 7% in 58 communes, and even 60% of the district councils argued that have their locality statute, fact that demonstrates the misunderstanding of this regulation, because the locality statute can be held only by the villages, communes and cities, that can be also district centers and that also have their proper city councils.

Table 7. Locality Statute

LOCALITY STATUTE	DISTRICT		CITY		COMMUNE	
	No.	%	No.	%	No.	%
YES	6	60.0%	10	100.0%	53	93.0%
NO	4	40.0%	0	0.0%	4	7.0%
NS/NR	0		0		1	
Total number of units	10		10		58	

Source: Assessment Questionnaire

In the same situation is the Regulation of the Mayoralties because 9% of the assessed mayoralties do not have a Regulation, obligation provided by law, and 5 out of 10 districts confused the Regulation of the Council with the Regulation of the Mayoralty (Table 8). 5 out of 58 municipal councils do not have the Regulation of the Council (Table 9), lacking a very important document in the organization and functioning of the local councils and ignoring the provisions of the Law No. 436 as of 06.11.2003 on the Framework Statute of the Village (Commune), City (Municipality).

Table 8. Regulation of the Mayoralty

Regulation of the Mayoralty	DISTRICT		CITY		COMMUNE	
	No.	%	No.	%	No.	%
YES	5	83.3%	8	80.0%	50	90.9%

NO	1	16.7%	2	20.0%	5	9.1%
NS/NR	4		0		3	
Total number of units	10		10		58	

Table 9. Regulation of the Council

<i>Regulations of the Council</i>	<i>DISTRICT</i>		<i>CITY</i>		<i>COMMUNE</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
YES	8	100.0%	10	100.0%	53	96.4%
NO	0	0.0%	0	0.0%	2	3.6%
NS/NR	2		0		3	
Total number of units	10		10		58	

Apart from these framework regulations and framework statutes, we mention that only 17 out of 58 mayoralties, i.e. 30.9%, have institutional development plans. 2 out of 10 assessed district councils and 5 out of 10 assessed city councils (Table 10) do not have such plans.

Table 10. Institutional development plan

<i>Institutional development plan</i>	<i>DISTRICT</i>		<i>CITY</i>		<i>COMMUNE</i>	
	<i>%</i>	<i>No.</i>	<i>%</i>	<i>%</i>	<i>No.</i>	<i>%</i>
YES	8	80.0%	4	44.4%	17	30.9%
NO	2	20.0%	5	55.6%	38	69.1%
NS/NR	0		1		3	
Total number of units	10		10		58	

As regards the communes' endowment with computing facilities we will mention that although most have computers, 37.9% of communes and a city mayoralty do not have e-mail addresses which denies any possibility of electronic communication, including reception of various information necessary and useful for the members of the respective local community (Table 11).

Table 11. E-mail address

<i>E-mail address</i>	<i>DISTRICT</i>		<i>CITY</i>		<i>COMMUNE</i>	
	<i>%</i>	<i>No.</i>	<i>%</i>	<i>%</i>	<i>No.</i>	<i>%</i>
YES	9	100.0%	9	90.0%	36	62.1%
NO	0	0.0%	1	10.0%	22	37.9%
NS/NR	1		0		0	
Total number of units	10		10		58	

1.3.2 Decision-making process

In accordance with the legal provisions, the decision-making process of the local public administration has a democratic character, being transparent and accessible to the local community. The local council's meetings are declared public, and any interested person may attend the local council's meetings. The citizens, associations constituted in accordance with the law and other interested parties have the right to participate, in accordance with the law, in any stage of the decision-making process; to have access to information concerning the locality budget and use of the budgetary resources, in the elaboration of the draft decisions and agenda of the local and mayoralty councils' meetings; to propose the initiation of elaboration and adoption of decisions; to submit recommendations to the local public authorities, on their own behalf or on the behalf of certain groups of residents of the respective communities, regarding various debated draft decisions.

The prevention of free access to the local council's meetings or the compromise of the decision-making process by deliberate actions of concealment of public interest information shall be sanctioned in accordance with the legislation in force.

As regards the citizens's participation in the decision-making process, we mention that it involves multiple forms of participation in the administration of the affairs concerning the local community and the possibility to freely express its options .

The principle of public consultation on local problems of special importance or the local referendum is a component of local autonomy enjoying constitutional regulation (Article 109 of the Constitution of the Republic of Moldova), but which is not used by the local public administration, which organizes referendums only for the mayor's dismissal.

The general meetings of citizens are also not frequently used, because according to the data from Table 12 the average in 2010 decreased compared to the years 2008 and 2009. The same thing can be said about the public debates, organization of round tables, and organization of opinion polls, the average of which also declined in 2010 compared to the years 2008 and 2009 (Table 13-14).

Table 12. Number of general meetings organized in 2008, 2009 and 2010

	Number of general meetings			
	2008	2009	2010*	2008-2010
average	1.42	1.81	1.04	4.41

Table 13. Number of public debates organized in 2008, 2009 and 2010

	Number of public debates			
	2008	2009	2010*	2008-2010
average	4.41	4.07	3.56	12.33

Table 14. Number of round tables organized in 2008, 2009 and 2010

	Number of round tables			
	2008	2009	2010*	2008-2010

average	2.5	2.95	2.31	7.69
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Tabel 15. Number of opinion polls/focus groups organized in 2008, 2009 and 2010

	Number of polls/focus groups			
	2008	2009	2010*	2008-2010
average	3.76	5	4.37	12.59

As regards the means of transparency insurance, the data in Table 16 demonstrate that the local public administration authorities do not use all the tools and opportunities available to them. Thus, we see that only 17.9% of them have web pages, only 34.6% benefit from mass media opportunities, even the notifications are used only by 84.6%, and only 65.4% use the consultation possibilities.

Table 16. Means of transparency insurance

Means	Frequency	
	Number	Percentage of LPA
TV or mass media	27	34.6%
Notifications	66	84.6%
Meetings	23	29.5%
Web page	14	17.9%
General meetings	22	28.2%
Councillors	51	65.4%
TOTAL	78	

CONCLUSIONS:

- The excessive political multi-party system at local level brings great harm to the administration process of the public sector in favor of the local communities, because the political interests often prevail over the local community's interests;
- The local public administration authorities ignore the legal provisions regarding the obligatory character of the elaboration and adoption of framework regulations and framework statutes, which diminishes their administrative possibilities and capacities;
- The central public administration, through the recommendations regarding the standard organizational charts and remuneration grids, influence the local public administration and infringe upon the autonomous rights to public administration;
- The processes of citizen's involvement in the activity of the local public administration in various forms, such as: local referendum, public debates, round tables, opinion polls are at an early stage and are affected by formalism;
- The lack of information systems (internet, e-mail addresses) diminishes the possibilities of obtaining the information necessary for the local communities' members.

RECOMMENDATIONS:

1) In order to develop the local democracy, the active and direct participation of citizens in the decision-making processes and through their representatives, it is necessary to revise the current

system of proportional representation in the local elections, weakening the influence of the political parties and enabling the local communities to elect their representatives by uninominal vote;

2) In order to develop more effectively the direct democracy at local level, the Law on Local Public Administration should include a list of problems that can be solved only by **consultative** and approving referendums;

3) For an effective participation of the citizens in the decision-making process there should be established various interest groups, associations with public character, including non-governmental organizations (NGOs), through which the citizens should be involved in the public administration process.

4) It is necessary to provide the mayoralities with a modern information system, through which they could obtain operative information on the acts adopted by the central public administration (the Government, Ministries, Departments), experiences inside and outside the country, on the activities of the local public administration;

5) The support at the level of the State Chancellery, as well as at the level of districts, in the creation of web pages of the administrative-territorial units.

6) The civic education of the population in the local communities should be seen as part of the local public administration, because the further quality depends on the level of the citizens' involvement in the local public administration process, the activity of the representative local authorities and the easier awareness of the fact that the right to local self-administration, political pluralism, citizen's participation, high levels of transparency of the local public administration, along with other elements, are inherent components of the local democracy, without which a modern administration system cannot function.

1.4 Organizational and functional framework; the decision-making process

This chapter has been elaborated based on the following Indicators:

- *The existence of framework-regulations and charters;*
- *The dependence of the local councils on the type-organigrams recommended by the Government;*
- *The level of endowment with IT & C per staff unit from the organigram;*
- *The number of decisions consulted with the population from the total number of the decisions adopted;*
- *The level of ensuring transparency in the decision-making process (the number of means and forms for ensuring transparency);*
- *The existence of a webpage of the town hall.*

1.4.1 Correspondence between the administrative means and structures and the needs of the local communities

The internal structure of the local council depends on the size of the respective community, the property it is managing and the budget it has. In this respect, art.11 of the Law on the local public administration stipulates that the local councils should consist of counsellors elected in compliance with the Electoral Code. The number of counsellors is established based on the statistical data on the population number of the respective community at January 1st of the year when elections occur. The Law establishes a number of 9 counsellors for the localities with a population of up to 1500 dwellers.

This is a negative regulation since it encourages the creation of local public authorities in the rural areas not having enough financial resources of their own in order to do the local public management.

The organization and functioning of representative local public authorities is based on the provisions of the Law nr.436 on the local public administration and the Law nr. 457 from

14.11.2003 on approving the frame-regulation on the creation and functioning of the local and district councils.

After the legal establishment of the local or district council the counsellors form fractions, alliances, blocks and further on create specialized consultative committees for the main activity areas. The activity areas in which specialized consultative committees are formed, their name and the number of their members (always an odd number) are established by the local or district council depending on the specificity and needs of each administrative-territorial unit. The council may decide upon creating a committee for several activity areas. The main activity areas in which specialized consultative committees may be created are listed in the annex.

The activity areas where specialized committees may be established as shown in the annex to the Law are not interconnected with the LPA areas of activity established in the Law nr.435 on the administrative decentralization.

Art.22 of the Law nr.436 on the local public administration stipulates that the issues on the agenda of the local council meeting will only be addressed if followed by a review or report by the specialized committee of the council and, in certain cases, the review or report by the town hall or/and the line subdivision of the decentralized or deployed public service as well as a synthesis of the recommendations received in the framework of public consultations.

The main attributions of the specialized committee of the local council are as follows:

- a) To identify and examine the problems in its activity area that need to be solved by the council;
- b) To analyze the draft decisions of the council and to prognosticate the consequences of their implementation;
- c) To draft a review of the draft decisions on the issues tackled and to present it to the council;
- d) To decide upon other issues remitted to the committee by the council for opinion.

At the first glance it may seem to be a correct rule that any issue should only be addressed by the council if it is obligatorily followed by a review of the committee. Still, practice shows that in a situation of excessive political plurality the committee might block certain issues from being examined by refusing to present the review required.

In their activity the counsellors are entitled to address questions both in written and verbally to the mayor, deputy mayor, president of the district, deputy president of the district, secretary of the council, the heads of the local public services and other responsible officeholders invited at the council's meeting. A question is a request of information on an unknown fact. The persons asked will, as a rule, give the answer immediately or if this is not possible, at the next meeting of the council.

An interpellation is a request for explanation in connection with a known fact. The party interpellated is obliged to give an answer in written form till the next meeting of the council, or verbally at the current meeting, according to the request of the author of the interpellation.

The local council, except for the council of the municipality Chisinau, does not have its own leadership body (the president is elected at each meeting only for the purpose of chairing its activities); neither it has its own technical staff. By this rule the Law implies using the staff of the town hall for the organizational and technical needs of the council, since the mayor is the one who convokes the council. The law says, however, that the council is a deliberative authority while the

mayor is the executive one; thus the influence of the mayor on the council should be as minimal as possible since there exists a kind of subordination relationships between them.

That is the argument for establishing a position of president of the council, thus diminishing the influence of the town hall on the council's activities.

The executive power in a commune, town or municipality is held by the mayor elected by the respective community through a direct, universal, secret and freely expressed vote. The local council, at the mayor's proposal, shall decide upon instituting the function of deputy mayor also establishing the number of deputies who shall assist the mayor in exerting his attributions. According to the Law, the Town hall and its staff shall work based on the regulations approved by the local council, establishing the conditions of appointing, employment, promotion, sanctioning and firing of the staff of the town hall as well as their rights and obligations.

Art.14 (1) requires the council to approve, at the mayor's proposal, the organigram and staff of the town hall and of its subordinated structures and public services, as well as the payroll accordingly.

The law does not stipulate any longer that the organigram and the payroll should be in compliance with the organigram and the payroll approved by the Government.

Although the law provides for a full freedom of the local and district councils to establish the necessary number of staff in the apparatus and institutions, the provisions of the Governmental Decisions Nr. 688 of 10.06.2003 on the structure and staff of the town halls both in villages (communes) and cities (municipalities) and Nr. 699 of 10.06.2003 on the organigram and staff of the apparatus of the president of the district, the directions, sections and other subdivisions subordinated to the district council are still in force.

Moreover, by adopting the Decision Nr. 99 of 16.02.2010 on approving the limits of the staff number and of the payroll for the budget sector addressed to the local public administration authorities for the year 2010, even despite the recommending character of the Decision, the Government has ignored the constitutional principle of local autonomy, the LPA right to a decisional, organizational and financial autonomy as well as their right to initiative in managing local public issues, so that they could lawfully exert their authority within the limits of the territory administrated.

The big majority of the local public authorities are, in practice, obliged to follow this governmental act exactly due to the actual system of local public financing. Any attempt to show initiative in this respect and to exceed the limits established is rejected by the administrative control bodies and the financial bodies of the second-level local public authorities and by the central ones (the General Directions for Finance and the Ministry of Finance).

The same thing is true for the salaries of the public officeholders and technical staff from the town halls, the limits of which are also fixed by the state bodies. Thus the expenses for maintaining the administrative apparatus of the town hall councils are calculated taking into consideration the Governmental decisions on the organigrams and payrolls as well as the Governmental Decision Nr. 525 of 16.05.2006 on the salaries of the public office holders and technical staff.

A single tariff-network is a legacy from the old regime in which the state used to establish tariffs for any work done. In the actual conditions the state may establish single tariffs for the positions salarized from the state budget only; as for the officeholders from the local public administration as deliberative authorities, we consider that it is up to them to decide upon their staff and payroll, since their activity is based on the principle of local autonomy which means financial autonomy as well.

Any interference by the state in this area might be regarded as a violation of the principle of local autonomy.

Law Nr. 436 of 06.11.2003 on the framework-statute of the village (commune) and town (municipality) the local councils are obliged to develop and approve the Statute of the respective administrative-territorial unit including specific data and elements, which aims at individualizing it compared to other similar units. The assessment questionnaire proved (Chart 7) that this provision of the law is not observed in 7% from the total number of 58 villages and even 60% of the district councils admitted they have no statute approved, which shows a lack of understanding of this regulation, since only those towns and villages that also may be district centres must have the statute adopted, but these may also have their own city councils.

Chart 7. Statute of the locality

<i>Statute of the locality</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>VILLAGE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	6	60,0%	10	100,0%	53	93,0%
NO	4	40,0%	0	0,0%	4	7,0%
Do not know/No answer	0		0		1	
Total units	10		10		58	

Source: Assessment questionnaire

The same is the situation with the Regulations of the town halls since 9% of the town halls do not have any Regulations despite of the law provisions, while in 5 out of 10 districts they confused the town hall regulations with the regulations of the council (Chart 8). Five village councils out of 58 do not have a Regulations of the council (Chart 9) thus lacking a very important document for the organisation and functioning of the local councils and also ignoring the provisions of Law Nr. 436 of 06.11.2003 on the framework-statute of the village (commune) and town (municipality).

Chart 8. Regulations of the town hall

<i>Regulations of the town hall</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>VILLAGE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	5	83,3%	8	80,0%	50	90,9%
NO	1	16,7%	2	20,0%	5	9,1%
Do not know/No answer	4		0		3	
Total units	10		10		58	

Chart 9.Regulations of the Council

<i>Regulations of the Council</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>VILLAGE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	8	100,0%	10	100,0%	53	96,4%
NO	0	0,0%	0	0,0%	2	3,6%
Do not know/No answer	2		0		3	
Total units	10		10		58	

Besides the framework- regulations and the framework-statutes, we should mention that only 17 town halls out of 58, i.e. 30.9% have institutional development plans. Such plans also lack in 2 out of 10 district councils evaluated and in 5 of 10 city councils (Chart 10).

Chart 10.Institutional development plan

<i>Institutional development plan</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>VILLAGE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	8	80,0%	4	44,4%	17	30,9%
NO	2	20,0%	5	55,6%	38	69,1%
Do not know/no answer	0		1		3	
Total units	10		10		58	

As for the IT & C endowment of the villages we should mention that although the majority have computers, 37.9% of villages and one town hall do not have e-mail address, which makes any electronic communication such as receiving various necessary and useful information for the members of the respective community impossible (Chart 11).

Chart 11. E-mail address

<i>e-mail address</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>VILLAGE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	9	100,0%	9	90,0%	36	62,1%

NO	0	0,0%	1	10,0%	22	37,9%
Do not know/No answer	1		0		0	
Total units	10		10		58	

1.4.2 Decision-making process

The law provides that the decision-making process in the LPA is democratic, transparent and accessible for the local community. The meetings of the local council are declared to be public and any interested person may attend. The citizens, the associations legally established and other interested parties have the right to participate within the limits of the law at any stage of the decision-making process; to have access to the information on the budget of the locality and the way in which the budget resources are spent; to have access to the draft decisions and the agenda of the council and town hall's meetings; to suggest elaboration and adoption of certain decisions; to submit recommendations to the local public authorities in one's own name or on behalf of certain groups from the respective community regarding various draft decisions debated upon.

Obstruction of free access to the meetings of the local council or harming the decision-making process by deliberate actions of hiding any public-interest information shall be prosecuted in compliance with the legislation in force.

As for the involvement of the citizens in the decision-making process it is worth mentioning that there are multiple forms of participating in administration of issues that the community faces, as well as the possibility to freely express one's opinion.

An important component of local autonomy is the principle of consulting the citizens in local issues of special interest, which is also stipulated in art. 109 of the Constitution of the Republic of Moldova; this principle is however not used by the LPA, since they only organize referendums on dismissing a mayor.

Neither do they use the tool of general meetings with the citizens, since Chart 12 shows that the average level of 2010 has decreased compared to the years 2008 and 2009. the same is true for the public debates, round-tables and organization of public opinion polls the average level of which has also decreased in 2010 compared to the years 2008 and 2009 (Charts 13 and 14).

Chart 12. the number of general meetings organized in the years 2008, 2009 and 2010

	The number of general meetings			
	2008	2009	2010*	2008-2010
average	1,42	1,81	1,04	4,41

Chart 13. The number of public debates organized in 2008, 2009 and 2010

	The number of public debates			
	2008	2009	2010*	2008-2010
average	4,41	4,07	3,56	12,33

Chart 14. The number of roundtables organized in 2008, 2009 and 2010

	The number of roundtables			
	2008	2009	2010*	2008-2010
average	2,5	2,95	2,31	7,69

Chart 15. The number of polls / focus groups organized in 2008, 2009 and 2010

	The number of polls / focus groups			
	2008	2009	2010*	2008-2010
average	3,76	5	4,37	12,59

As for the means of ensuring transparency, the chart 16 shows that the LPA authorities do not make use of all tools and possibilities available. We may thus notice that only 17.9% have a web page, only 34.6% benefit of mass-media as a tool, only 84.6% use announcements in mass-media and only 65.4% use consultations as a possibility.

Chart 16. Means for ensuring transparency

Means	Frequency	
	number	percentage LPAs
TV or mass media	27	34,6%
Announcements	66	84,6%
meetings	23	29,5%
Web Page	14	17,9%
General meetings	22	28,2%
Consultations	51	65,4%
TOTAL	78	

CONCLUSIONS:

- The exaggerated political plurality at the local level severely prejudices the process of managing the public area for the interest of the local community, since very often the political concerns prevail over the concerns of the local community;
- The LPA authorities often ignore the legal provisions of mandatory drafting and adopting the framework regulations and statutes, which reduces their administrative capacities and possibilities;
- The central public administration exerts its influence on the LPAs, thus violating their right to autonomous public administration by imposing recommendations on type-organigrams and payrolls;
- The processes of citizens' involvement in the LPA activity through the local referendum, public debates, roundtables, opinion polls are still at the initial stage and are affected of formalism
- The lack of access to information systems (internet, e-mail) diminishes the possibilities of obtaining the relevant information necessary for the members of the local communities.

RECOMMENDATIONS:

7) In order to develop the local democracy and to provide for an active involvement of the citizens in the decision-making processes directly or through their representatives a revision proves to be necessary in the actual system of proportional representation in the local elections so as to reduce the influence of the political parties and to let the local communities elect their representatives through an uninominal vote;

8) In order to more efficiently develop the direct democracy at the local level the Law on the local public administration should include a list of issues that may be settled exclusively through consultative and approving referendums;

9) In order to provide an efficient participation of the citizens in the decision-making process there should be created various groups of interests, public associations and NGOs that would help in involving citizens in the public administration process;

10) The town halls should necessarily be endowed with a modern informative system in order to have a quick access to any operational information on the acts adopted by the central public administration (Government, Ministries, Departments etc.) and relevant experiences from inside and outside the country regarding the activity of local public administration;

11) To assist at the level of State Chancellery and at the district level the development of webpage for each administrative-territorial unit;

12) The civic education of the population in the local communities should be regarded as an integrating element of the public administration by reason that the level of citizens' involvement in the local public administration process is tightly connected to the level of quality of the further activity by the local representative authority; it is also a factor of a higher awareness of the fact that the right to local self-administration, political pluralism, citizens' involvement and a high level of transparency in the LPA activity are inherent components of local democracy without which no modern administration system may function.

1.5 Managerial capacity and MHR

Indicators used:

- *Identification of the municipal public service;*
- *Performance assessment system;*
- *Staff selection and promotion;*
- *Number of employees professionally trained in the period 2008-2010 from the total number of civil servants in the target LPA.*

1.5.1 Consolidation of a team of professional and politically neutral civil servants by career

The Republic of Moldova is currently facing multiple problems generated both by the lack of an efficient PA and by a bad preparedness of civil servants and political leaders, the majority of which have been professionally and mentally trained in the former regime that remains imprinted in their characters. That's the reason for manifesting tendencies of power abuse and protection of personal, group or party interests through the secession by different political colours. As a result corruption, organized crime, sponsorship and nepotism are flourishing all over the governance system from the bottom to the top and no one ever remembers of any national interests and of the people waiting for some change to the better. In this respect one should necessarily bear in mind that: "An administration endowed with high-value material and financial means will be unable to fulfil its tasks and will only waste the resources offered if it is staffed with professionally unfit civil servants"⁶.

The municipal public service has not been embedded in the legal vocabulary of the Republic of Moldova as a distinct function or a separate category of the civil service. Since the LPAs benefit of financial autonomy, have the right to initiative in managing local public affairs exerting their authority within the limits of the law in the territory administrated, having decisional independence from the state central authorities, they should also have special regulations for the category of municipal civil servants.

As for the municipal civil servants and their functions, the legislation regulating the local public administration only says that the council should approve, at the mayor's proposal, the organigram and payroll of the town hall and subordinated public structures and services, as well as it states the fact that the officeholders from the town hall are civil servants falling under the incidence of the Law on the public service and the statute of the civil servant; the conditions of appointing, employing, promoting, prosecuting and dismissing the staff of the town hall as well as their rights and obligations are established by the legislation in force and by the regulations of the town hall approved by the local council.

Similarly, at the district level the organigram and the payroll of the president of the district are both approved by the district council based on the standardized organigram and payroll approved by the Government.

This serious instability of the municipal public service only due to the permanent interference of the central public administration in the organization of the municipal public service thus violating the constitutional rights to local autonomy.

Despite of the very limited number of staff on the payroll, the local public authorities also face huge difficulties as for professional training. One must admit that many persons employed in the local administration are not adequately trained and neither do they have the necessary educational

⁶ Mihail T. Oroveanu, Treaty on administration science, Bucharest, 1996, pag.227.

background for the positions they hold. Although the labour force market abounds in specialists in a variety of areas: law, public administration, economy (who also speak foreign languages and are trained in the IT area besides their basic speciality), these specialists are not willing to get employed in the local public authorities. There are numerous cases in the rural areas when the local authorities lack competent specialists for many key positions.

Due to this unsatisfactory situation in the area of human resources management at the local level, we may also emphasize a low usage of the possibilities available to the LPA authorities, such as for instance the performance assessment system. Thus, the data in Chart 17 show that reserves still exist at this chapter.

As for the staff selection criteria (Chart 18) we may notice that in the LPA system there still exist possibilities of being employed in public service due to various relationships of camaraderie, kinship or political affiliation, which is actually a reason for the lack of stability in the public service positions at the local level.

Neither did the public's access to employment attain the 100% performance, remaining at the level of only 86.7% (Chart 19).

Chart 17. The existence of a performance assessment system

<i>Performance assessment system</i>	<i>DISTRICT</i>		<i>TOWN</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
For all positions	5	50,0%	3	30,0%
For civil servants only	5	50,0%	7	70,0%
NO	0	0,0%	0	0,0%
Total units	10		10	

Chart 18. The importance of selection criteria

<i>Selection criteria</i>	<i>Score (1-5)</i>	
	<i>average</i>	<i>dev std</i>
Competence/ studies	4,79	0,66
Professional experience	4,66	0,71
Professional relations	3,7	1,31
acquaintances/ relatives/ relationships	1,52	1,06
Political affiliation	1,21	0,66

Chart 19. Public accessibility to employment

	<i>Accessibility</i>	
	<i>nr</i>	<i>%</i>
YES	65	86,7%
NO	10	13,3%
Do not know/No answer	3	
Total units	78	

Conclusions

1) The legislation does not provide for the category of municipal civil servant, even though these exist in the territorial-administrative units that have local autonomy and should thus also benefit of the category of municipal civil servants who would be stimulated by law to unfold a motivated activity in the area of LPA;

2) The lack of a unified, motivating and transparent remuneration system, correlated with the lack of efficient human resources policies, reduced the motivation level of civil servants, resulting in huge staff flow and the stagnation and/or reduction of professional performances;

3) The insufficient level of development of the human resources sections and departments in the public administration institutions inevitably leads to a wrong application of legal provisions and violations of the existing legislation on public office and statute of the civil servant, which results in low capacities of human resources' management;

4) A bad image of civil servants in a broader context of the public administration image. The image of the civil servants and of the public administration is determined by the citizens' perception on the corruption evolution and the civil servants' resistance to its temptations;

5) The existing legal framework in the area of LPA does not provide for the use of new effective tools that might help the local public administration authorities to develop the administrative capacity necessary for the accomplishment of the decentralized competences and for improving the quality of the public services.

Recommendations

1) To introduce a separate chapter in the Law on public service and the statute of the civil servant in order to include the notions of municipal service and municipal civil servant in the legal turnout;

2) To stop underestimating the factors of increasing the efficiency of the public administration bodies' activity new necessities in training the civil servants should be taken into account since they are the ones who shall promote and implement in practice the requirements of the LPA reform; on the other hand, professional education and training of the civil servants must be one of the preconditions for an efficient evolution of the LPA activity;

3) To consolidate the system of public office through: consolidation of human resource departments, sections and services in the public institutions; improvement and modernization of the image of the public service system; increase of career development perspectives; increase of professional skills of civil servants by motivating them; prevention and fighting against corruption.

4) In order to motivate the increase of professional performances of the civil servants from the LPA a decent remuneration system should be provided for them, as well as the opportunities to make a visible career. Promotion should only be based on criteria of performance and morality.

5) Since it is difficult to attract in public office the people with the necessary educational background and professional experience at the level of local public administration especially in rural areas, it is necessary to establish more incentives for the municipal service in order to attract

young specialists especially, who should show a concern for unfolding the activities necessary for the local communities.

6) To raise the level of professionalism of the local civil servants and members of the councils through the assistance of the Academy of Public Administration and a National Non-governmental Centre of Public Administration, as well as other NGOs that might possibly contribute to the implementation of new forms of local governance.

7) To establish regional centres of the Academy of Public Administration for vocational training of the members of local councils and civil servants; these will bring the teaching staff, the didactic act and training materials closer to the beneficiaries thus reducing the periods when they are taken out from their working places and diminishing the costs for transportation, per-diems etc.

8) To formulate a legislative proposal to obligatorily include the expenditures for the professional training of the staff in the structure of the budget of public authorities' institutions (e.g. 0.5-1% of the budget).

1.6 Financial management

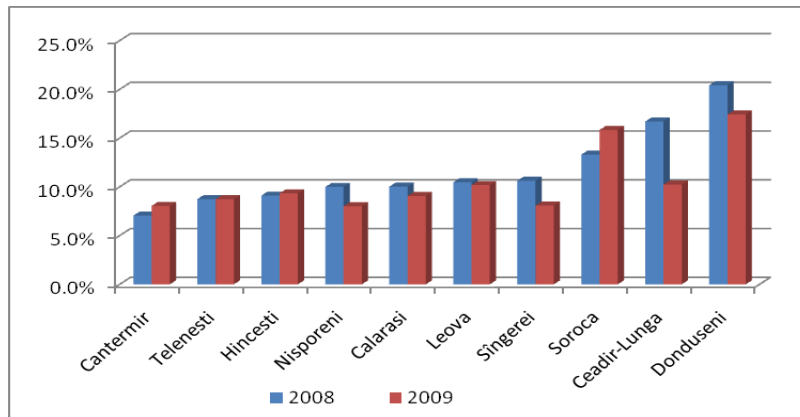
The assessment of financial management aspects has been done based on the following indicators:

- *The own incomes in the overall income of the local budget. This indicator has been analyzed by calculating the share of the territorial-administrative unit's own incomes in the total income of the local budget.*
- *The share of administrative expenditures in the total own income. This indicator has been calculated by dividing the sum total of administrative expenditures to the total revenue of the administrative- territorial unit.*
- *The efficiency of collecting local taxes and fees. This indicator calculates the share of effectively collected internal income versus the planned internal income.*

The first indicator analyzed is the share of the internal income of the administrative-territorial unit in the total revenues of the local budgets. This indicator is intended for identifying the potential and the available resources of the local public administration authorities to cover their expenditures from their own revenues. The results of the analysis reveal the existence of the following situations:

In the rural localities subject to the capacities' assessment, the share of internal revenues in the local budget rarely attains 15-20% (Graph 1-9). This fact proves a high level of centralization in distributing the financial resources and the share of transfers from the local budget in this case exceeds 80-90%. The localities with the lowest potential are in the districts Cantemir, Telenesti, Hincesti, Nisporeni, Calarasi, Leova and Singerei where the share of the internal income in the local budget does not even exceed 10%, which is below the medium level of 11.6% (2008). Even worse – compared to the year 2008 the internal incomes of the administrative-territorial units (with small exceptions) have decreased in 2009 (the global economic crisis is one of the reasons) to a medium level of only 10.5%.

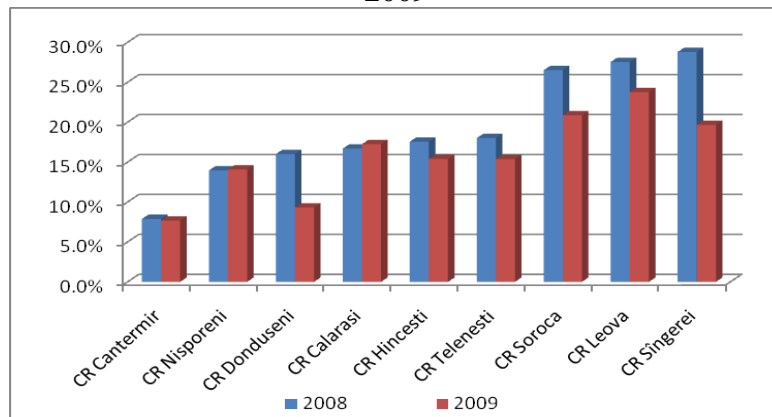
Graph 9. The share of internal income in the total local budget, %, 2008-2009 rural areas



Source: Assessment questionnaires, data from the Ministry of Finance

The situation is approximately the same in the case of the districts, Graph 1-10. The share of the districts' internal incomes in the total budget of the districts varied in the years 2008-2009 from 9% (Cantemir district) up to 28% (Singerei district). The same as in the case of rural localities, the internal incomes at the district level decreased with 3.3 pp in 2009 (only 15.9% on average).

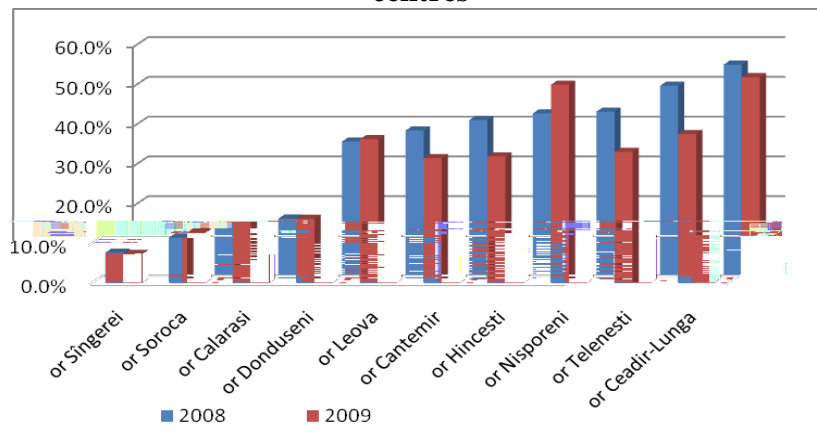
Graph 10. The share of the districts' internal incomes in the total district budget, %, 2008-2009



Source: Assessment questionnaires, data from the Ministry of Finance

The situation is better in the case of urban localities. The share of the internal incomes of 7 out of 10 towns exceeds 30%, but this is not a satisfactory indicator however.

Graph 11. The share of internal incomes in the total local budget, %, 2008-2009, district centres



Source: Assessment questionnaires, data from the Ministry of Finance

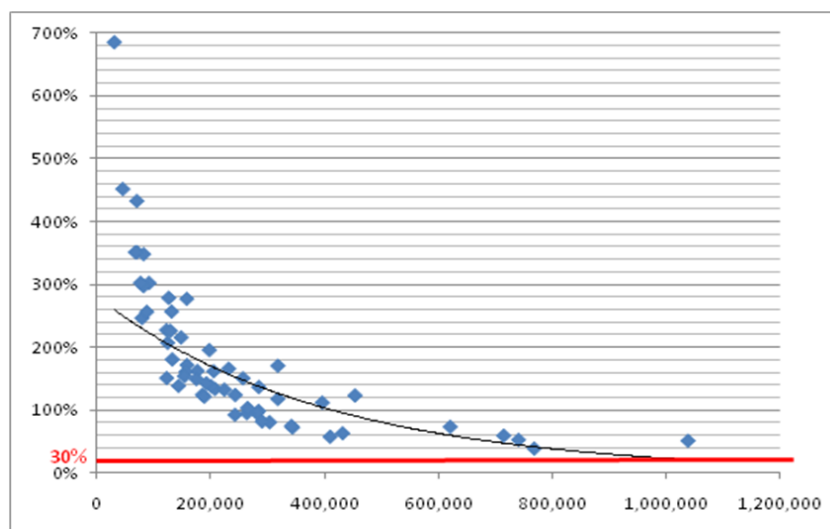
The towns Singerei, Soroaca and Calarasi are to a great extent dependent on transfers, the share of which has exceeded the rate of 85% in the years 2008-2009. The internal incomes also decreased in towns in the year 2009 compared to the level of 2008 with almost 4 pp, from the average of 34% to 30.4%.

Thus all the administrative-territorial units find themselves in a situation of major dependence on the transfers allocated by the central authority.

The second indicator analyzed is the share of administrative expenditures in the total amount of internal income. This indicator aims at determining the administrative capacity of the local public authorities. According to the provisions of art.11 of the Law on administrative decentralization, an administrative-territorial unit is considered to be viable from the administrative point of view if it owns the material, institutional and financial resources necessary for an efficient management and accomplishment of its competences. The administrative capacity is considered to be adequate to the legal status of a local public authority if its administrative expenditures do not exceed 30% of the internal income.

The results of the evaluation (the data for the year 2008) show that none of the 58 rural localities subject to assessment has administrative capacity since the share of administrative expenditures in the internal income seriously exceeds the 30% limit:

Graph 12. The share of administrative expenditures in the internal income, %, 2008, rural localities

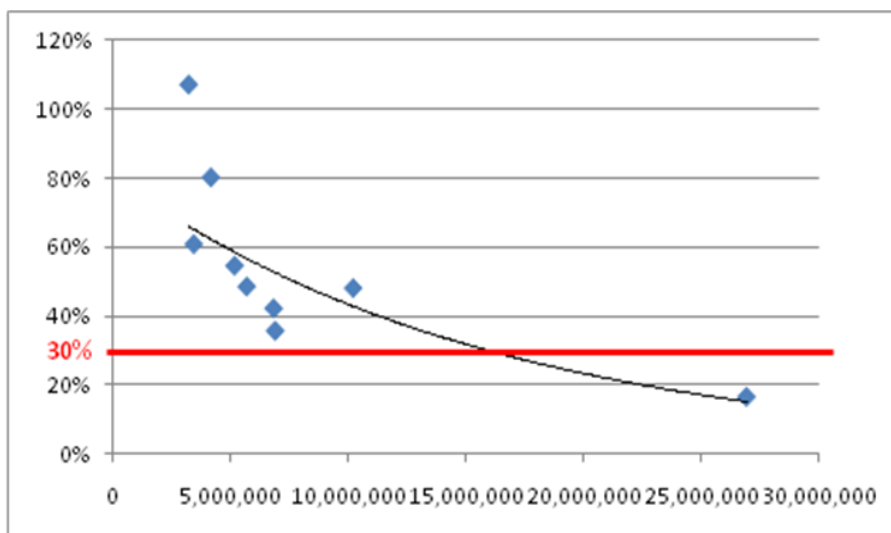


Source: Assessment questionnaires, data from the Ministry of Finance

Only the town halls from Biliceni Vechi (Singerei) and Baurci (Ceadir-Lunga) are close to the 30% limit. The majority of rural localities is however situated at the level 80-150 %. There are also town halls that couldn't even cover a yearly salary of the mayor from their internal incomes.

A similar or slightly better situation is registered at the level of district councils. Except for the district council Soroaca, all the other 9 district councils had no administrative capacity in the year 2009. The average share of administrative expenditures in the internal income constituted 55%.

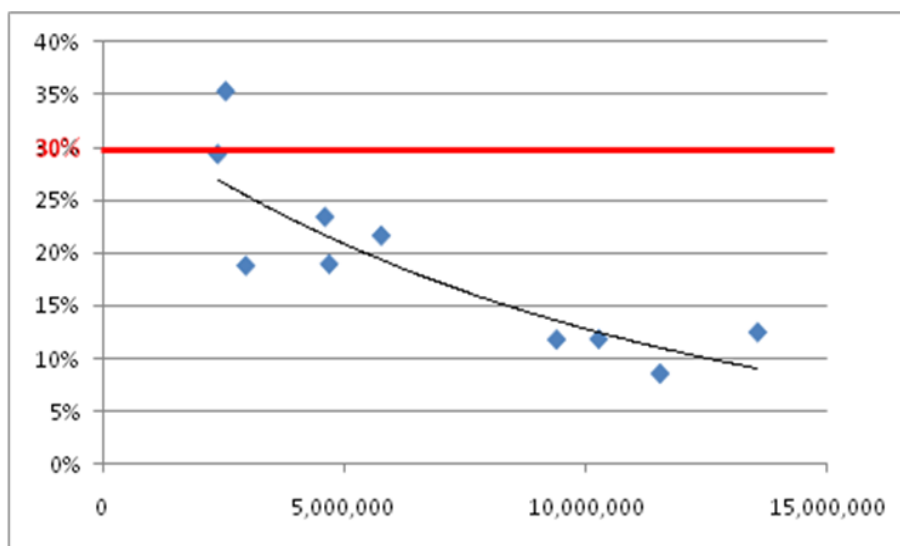
Graph 13. The share of administrative expenditures in the internal income, %, 2008, district councils



Source: Assessment questionnaires, data from the Ministry of Finance

Still, the situation is different in urban localities. The majority of towns-district councils (except for Singerei) had administrative capacity in the year 2008 due to their potential, as the results of administrative capacity assessment show.

Graph 14. the share of administrative expenditures in the internal income, %, 2008, towns



Source: Assessment questionnaires, data from the Ministry of Finance

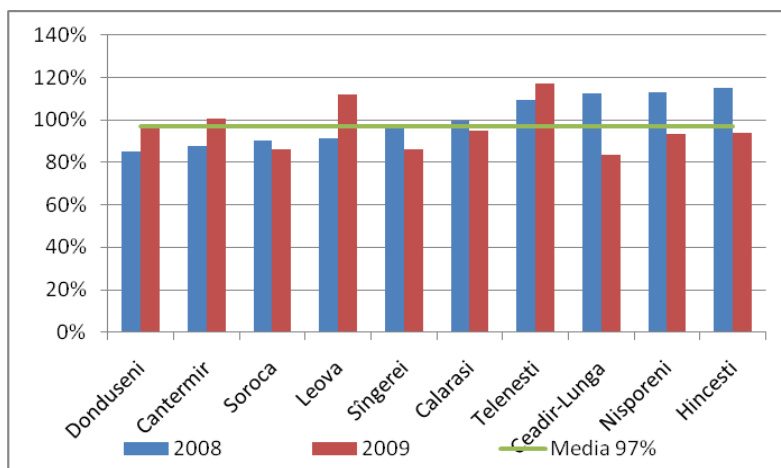
The general tendency identified both for the rural localities and for the district councils and towns is that the administrative capacity is increasing in parallel to the increase of internal incomes. This confirms the need for financial decentralization as a prerequisite for administrative decentralization.

According to the current legislation of the Republic of Moldova, one of the essential criteria in establishing an administrative-territorial unit is its endowment with the whole range of internal competences and administrative capacity. The results of administrative capacity assessment show that all the rural localities and the absolute majority of the districts subject to capacity evaluation do not have administrative capacity.

The above-mentioned conclusions on the necessity to decentralize financing are confirmed by the results obtained in analyzing the next indicator. This indicator aims at evaluating the efficacy of collecting local fees and taxes. This indicator calculates the share of effectively collected internal

incomes versus the planned ones, thus emphasizing the efficacy of the activity of local public administration authorities.

The results of the evaluation show a high efficacy of collecting local taxes and fees both at the level of rural localities and towns and district councils, although the share of planned and effectively collected taxes and fees is not balanced in the rural localities. The efficacy represented on average 97 % in the rural localities in the years 2008-2009.

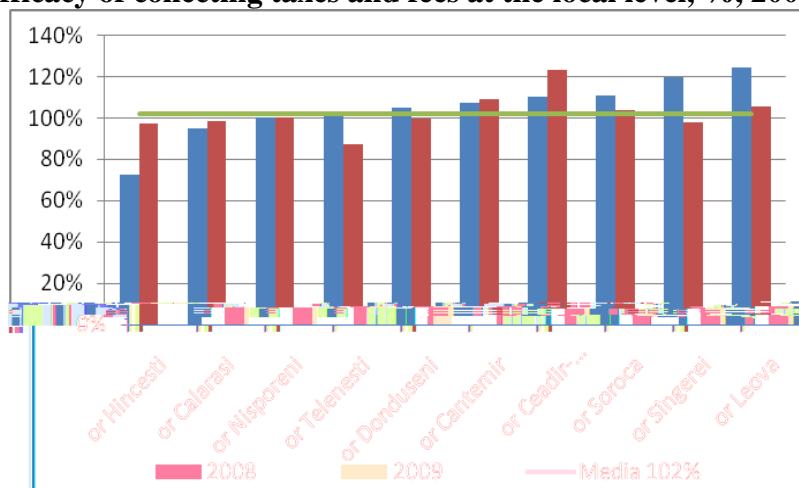


Graph 15.
Efficacy of collecting taxes and fees at the local level, %, 2008-2009, rural localities

Source: Assessment questionnaires, data from the Ministry of Finance

The efficacy level for the same period in the urban localities constituted 102%, with slight deficiencies in Hincesti, Calarasi and Telenesti.

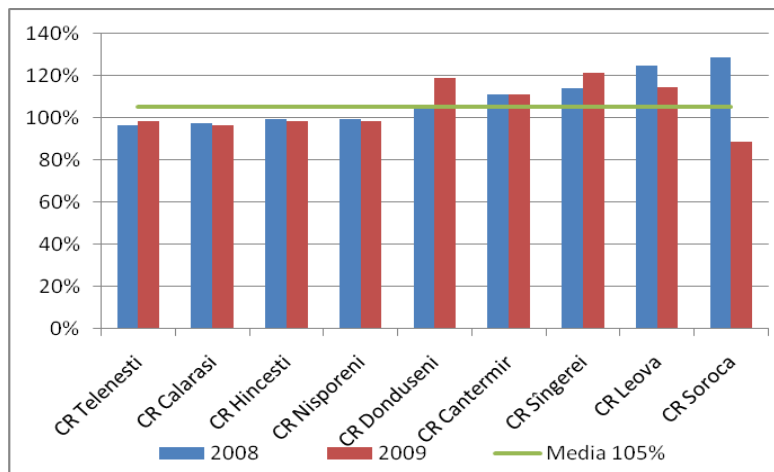
Graph 16. Efficacy of collecting taxes and fees at the local level, %, 2008-2009, towns



Source: Assessment questionnaires, data from the Ministry of Finance

In the case of district councils the level of efficacy in collecting local taxes and fees represents 105%.

Graph 17. Efficacy of collecting taxes and fees at the local level, %, 2008-2009, district councils



Source: Assessment questionnaires, data from the Ministry of Finance

The above-mentioned results show the need for consolidating the services of collecting local taxes and fees. The level of collecting taxes and fees is determined by the place where the fiscal services are placed.

Conclusions:

The analysis of financial management of the local public administration authorities revealed the following findings:

- All the administrative-territorial units assessed are utterly dependent on the transfers allocated by the central authority. The weight of the internal incomes in the local budgets rarely exceeds 20%, which makes the local public administration authorities dependent on the central public authorities.
- According to the provisions of the legislation in force, an administrative-territorial unit is considered to be viable from the administrative point of view if it owns the material, institutional and financial resources necessary for an efficient management and accomplishment of its competences. The administrative capacity is considered to be adequate to the legal status of a local public authority if its administrative expenditures do not exceed 30% of the internal income. The results of evaluation of administrative capacity show that all the rural localities and the absolute majority of the districts lack administrative capacity.
- The administrative capacity might increase if certain competences and responsibilities, including the financial ones, were delegated to the local public administration authorities. This process will imply a necessity to consolidate the capacities of the local public authorities regarding the institutional framework as well as the tools and mechanisms of collecting taxes and fees.

Recommendations:

- To extend the local financial autonomy by introducing the necessary modifications in the legislation in place.
- To identify and examine solutions for increasing the administrative efficiency, for administrative capacity consolidation and for the territorial consolidation.
- To establish and promote administrative associations between the neighbouring administrative-territorial units within the limits of the legislation in place.
- To increase the administrative capacity of the LPAs, also by including specialists in financial and fiscal areas in the payroll.
- To reconsider the norms and standards determining the calculations of local public expenditures so as the latter to reflect the real unitary costs.
- To extend the practice of developing the CCTM At least at the level of district canters.

- To promote modern budgeting techniques and methods in the financial management, including the performance-based budgeting.

1.6 Strategic planning and investments attraction capacity

Indicators used in the achievement of this chapter:

- *Presence of strategic plans for local development, duration of design and frequency of updating;*
- *Number of projects developed and attracted investment amount per locality;*
- *Presence of people trained in strategic planning field, development and project management.*

1.6.1. Strategic planning capacity

On the basis of evaluation questionnaire it was found that, especially at district level, there are strategic development plans of territorial administrative units that have been developed taking into account the national policies and strategies in the field. In other words, strategic planning has been formalized, with intention to approach by this pattern of local development. 88.3% of the total target LPA submitted strategic plans, according to figures in the table below (Table 6. 1). It also followed that from cities, districts and towns / villages, the largest number of TAU with no strategic plans were found in rural areas, that is to say nine of 58, which means 16% of total.

Tabel 6.1 Situation of local strategic plans

TOTAL			DISTRICT			CITY		COMMUNE	
YES	NO	NS/NR	YES	NO	NS/NR	YES	NO	YES	NO
68	9	1	9	0	1	10	0	49	9
88%	12%		100%	0%		100%	0%	84%	16%

For some districts, the role of strategic planning has been properly understood by the respective managements and valued accordingly in terms of growth potential it provides, this activity being done in an organized and coordinated way and correct both on the internal dimension, as well as on the external one, consisted by qualified personnel, dedicated to this process that have generated already results in local development plan.

However, a very interesting correlation between the capacity for strategic planning and the need to attract investment was created, as shown in Table 6.2. Therefore, a conclusion resulted that reinforces our previous findings, namely that there are towns which have developed strategic plans and have failed to attract investment, but TAU as well, who have not achieved planning in question, but were capable of such actions. It appeared, therefore, more clearly, the formalism of using "mechanisms" of planning, in a context where, often the events are left to chance.

Tabel 6.2

Category of locality	With/no established plans	Number of locality	Number of established projects	Number of approved projects	projects established per locality	projects approved per locality
communes	cu planuri strategice	48	250	172	5	4
	fără planuri strategice	9	35	19	4	2
towns	cu planuri strategice	10	61	48	6	5
	fără planuri strategice	0	0	0	0	0
districts	cu planuri strategice	10	145	74	15	7

fără planuri strategice	0	0	0	0	0
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In all the 10 districts assessed specialized structures / specialized posture and qualified staff in socio-economic development planning or in developing and managing projects was employed, but in different proportions, a reason for which the results were obviously, different.

Although if 47 TAU strategic plans were developed in collaboration with other TAU and institutions, the analysis revealed, however, the fact that 30.9% of the total TAU assessed, the strategic plans were strictly locally developed, without cooperation with other entities or through public consultation or it resulted out that community involvement occurred just in the declarative / formal way (Table 6. 3). It must be taken into account that there is a great number of responses "do not know" and "non-answers", something which highlights the ignorance of the situation, or complete lack of concern for proper and complete answer of the questionnaire.

Table 6.3. Situation of collaboration and citizen participation in achieving strategic plans

Way of planning	TOTAL		involvement citizens	TOTAL	
	nr	%		nr	%
individual	21	30.9%	YES	58	85.3%
collaboration	47	69.1%	NO	10	14.7%
NS/NR	10		NS/NR	10	

The cause of this approach was found in pre-existing practice, specific for central administrative system in which real involvement of the community members in decisions has not participated, but only to their implementation. We appreciated, therefore, that the way mentioned does not indicate nothing but the manifestation of an administrative reflex whose perseverance has not been extinguished yet and not an evidence of ill-will.

Table 6.4. Methods of involvement of citizens in local strategic planning

Methods of involvement	TOTAL	
	nr	%
Questionnaire	12	20.7%
Round tables	39	67.2%
Public hearing	35	60.3%
Workshops on strategic planning	34	58.6%

It may be noted that the 58 LPA involving citizens in strategic planning, the most used method was the round table (67%), closely followed by public hearings (60%) and strategic planning workshops (59%). Questionnaires based surveys were used only by 21% of the 58 units (Table 6.4).

As for the independent strategic plans development method, because this aspect, although it seems to reveal certain autonomy of decision, it shows rather the inability of rural areas, in particular, to connect to the processes of evolution that are strictly beyond the local framework.

Among the main causes of this situation are the following:

- lack of training in that area municipalities, local councilors and officials of municipalities;
- little experience considering the identification of elements that lend themselves to strategic approach;
- keeping in a relative condition of not informing the TAU;

- inconsistent support from the district / government authorities for expanding strategic visions of the categories of persons mentioned and to attract rural areas, especially in regional development programs;
- long-term scarcity of financial and material resource which brought the localities in extreme situations that have no capacity to manage them;
- the state of underdevelopment and poverty that does not offer many options for local development;
- lack of determining the political factors;
- quasi-total ignorance in the past 20 years of the problems of local communities.

We note also that according to our assessment, the more a city is situated further from the central district or city, in general, the more it provides a more complete picture of abandonment, exclusion from development processes.

However, it was encountered the situation of some localities near cities that have difficult conditions. These, though neighboring cities and housing economic units on their territory, from which, however, can not raise taxes, having, by law, another destination.

Similarly, permanent deficit of resources has not allowed the design of a strategic vision of many TAU, otherwise than as an exercise of imagination. The situation analysis also revealed that constant state of organizational and functional deadlock and the one considering resources constrained the TAU to focus only on specific items, such as the ongoing operation to a minimum level of resistance and survival administrative provision.

Distressing aspect of some localities, town halls, ways of communication, individual homes, crops, also pointed out that all these shortcomings, more than obvious, have not called on local officials, the officials of the ATU and population to tackle "philosophical" issues, how must have seemed those regarding local autonomy and decentralization.

Taking into account these facts, we draw attention to the fact that, in our view, the generation of capacity for strategic planning, or, if necessary, its improvement, are not possible in the current administrative-territorial organization of the Republic of Moldova, where many ATUs from rural areas exist with no perspectives, use significant amounts to their own activity, do not have the necessary strength and resources for developing.

All these elements had, of course, a significant impact including upon temporal perspective of strategic planning, where it worked. In some cases, the planning horizon did not exceed three years, which expresses the misunderstanding of the essence of 'strategic approach' (Table 6. 5).

Table 6. 5. Distribution on time periods of the strategic planning

<i>Planning period</i>	<i>TOTAL</i>		<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
<i>under 3 years</i>	3	4.4%	0	0.0%	1	10.0%	2	4.0%
<i>3 years</i>	5	7.4%	1	12.5%	0	0.0%	4	8.0%
<i>over 3 years</i>	60	88.2%	7	87.5%	9	90.0%	44	88.0%
<i>NS/NR</i>	10		2				8	

As far as it can be seen, especially in cities, there have been developed strategic plans for periods of less than 3 years, and as regarding districts, 11.8% of plans were drawn up for periods of time.

Also, in many cases, once developed, the plans were not updated, these instruments remained thus, largely ineffective. There were situations encountered where the strategy documents of the localities were archived. By the data contained in Table 6.6 we concluded that in 26.4% of the targeted TAU the update was achieved, or it was proposed to be achieved at an interval of three years, which corresponded frequently, therefore to the period for which the accessed documents were prepared, and in 12.3% of cases the settled period of four years, which means that within the validity period these instruments have remained virtually immutable.

Table 6.6. Situation of update frequency of local strategic development plans

<i>Frequency.</i>	<i>TOTAL</i>		<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>Nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
annually	28	43.1%	3	37.5%	0	0.0%	25	53.2%
once in 2 years	13	20.0%	1	12.5%	5	50.0%	7	14.9%
once in 3 years	16	24.6%	2	25.0%	4	40.0%	10	21.3%
once in 4 years	8	12.3%	2	25.0%	1	10.0%	5	10.6%
NS/NR	13		2		0		11	

Although some ATU have argued that they have used the tools of strategic management, the discussion showed that in some cases these were associated, in particular, to current planning and budgeting methods under the laws in force. On the other hand, however, all of the discussions revealed the fact that respondents did not clearly understand the aspects considering the strategic measures and moreover, they did not know what they refer to (see Table 6. 7).

Table 6.7. Situation of using strategic planning measures

<i>Measures of strategic planning</i>	<i>TOTAL</i>	
	<i>nr</i>	<i>%</i>
Budget oriented to tasks	56	71.8%
Multiannual financial planning	22	28.2%
Multiannual planning of investments	17	21.8%
Other measures	5	6.4%

It is noted that according to the responses made, task-oriented budget, a measure of management by objectives, was a frequently used method. Multiannual financial planning and multiannual investment planning have been used only by about 20% of investigated ATU.

It was also found that, being overwhelmed by daily problems and almost completely dependent on budgets allocated by the districts and other central structures, by their fluctuations, by the uncertainty of funding, in the current juncture, a true strategic planning at the LPA level was not possible. This fact was worsened by the manner of construction of the tax system which requires the central focus of taxes collected by the TAU, the part left at the service of the local communities being always insufficient to cover needs, and even less, for strategic planning of own development. It was notable, however, the conclusion of assessment teams according to which no municipality could subsist solely from own revenues.

We mention the findings from interviews conducted within the municipalities, according to which establishment/ division of budgets and other additions were achieved, in some cases, upon political criteria, aspect revealed by people with different party affiliations, a key element that induced additional risk in the area of strategic planning and also expressed that the funding of local public administration in Moldova remained a powerful means of political pressure.

Among the issues most concerned, which according to our findings, have the nature of a phenomenon, enters also the image of abandoned, of "past time capsule", which was given by a few localities, and clearly the attitude of indifference of people. For this situation it was identified as a possible explanation the ignorance during the last two decades of the development of settlements and, in general, administrative-territorial issue by political actors at the helm of the country, who by the measures adopted have not done anything but pseudo-reforms of local public administration.

Relevant data regarding the ability to provide strategic planning offered as well the analysis of the development priorities identified at LPA level with the occasion of managing the questionnaire (Table 6. 8). These have targeted a fairly narrow range of actions that have followed, in particular, the covering of some very pressing needs of communities, about the immediate improvement of living conditions, among them prevail:

- repairing roads - 80% of the districts, 90% of the cities and 72% of the communes have placed this issue among the top three local priorities;
- building and repairing water pipes - 60% of the districts, 50% of the cities and 56% of the communes have considered this issue among the top three local priorities;
- connecting localities to the network of natural gas - 60% of the districts, 10% of the cities and 53% of the villages have placed this issue among the top three local priorities; gasification has been a priority less experienced only by cities; districts and villages have regarded it as important as the previous one, the repair of water pipes;
- attracting investments to create new jobs - 60% of the districts, 50% of the cities and 33.3% of the communes have placed this issue among the top three local priorities; this issue has been more obvious in the case of the districts and cities; rural communities seem to be concerned at a smaller extent probably due to the fact that these communities have the occupation of agriculture and local leaders were mostly less familiar with local development potential.

Table 6.8. Situation of local priorities

<i>List of priorities</i>	<i>TOTAL</i>		<i>districts</i>		<i>towns</i>		<i>communes</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>Nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
Gasification of the locality	37	48.1%	6	60.0%	1	10.0%	30	52.6%
Town greening	3	3.9%	1	10.0%	1	10.0%	1	1.8%
Repairing the city center	3	3.9%	0	0.0%	0	0.0%	3	5.3%
Repairing the school	14	18.2%	0	0.0%	1	10.0%	13	22.8%
Repairing the kindergarten	9	11.7%	0	0.0%	2	20.0%	7	12.3%
Repairing the library	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Repairing the roads	58	75.3%	8	80.0%	9	90.0%	41	71.9%
Repairing the cafeteria	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Repairing the local museum	2	2.6%	0	0.0%	0	0.0%	2	3.5%
Repairing public bathroom	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sanitation	24	31.2%	2	20.0%	6	60.0%	16	28.1%
Repairing the social service home	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Attracting investment to create jobs	30	39.0%	6	60.0%	5	50.0%	19	33.3%
Repairing the aqueduct	43	55.8%	6	60.0%	5	50.0%	32	56.1%
Nr of valid units	77		10		10		57	

As it can be seen in the table above, the majority of the priorities were placed on the level of most basic needs, the core ones of residents, which confirmed that the origin of the difficulties encountered in tackling local problems from strategic perspective was the gathering of some serious social problems of everyday life. Ignorance and long failure to resolve them caused, in our view, at present a conceptual deadlock that has not allowed genuine strategic events and will not admit any

in the future more than a modest simulation of this kind of attitude, which will further condemn LPA to stagnation and backwardness.

Therefore, a range of attitudes, outlooks, actions and inactions produced on ample time periods resulted, including the constant concern of the lack of preoccupation by the government to ensure basic living conditions of people in towns and villages, towards proper governance generally caused confusion and resignation of citizens leaving the country massively, especially by its youth, unable to correctly identify strategic targets, slowing free enterprise and reducing the capacity of LPA to manage public affairs.

6.1.2 Capacity to attract investment

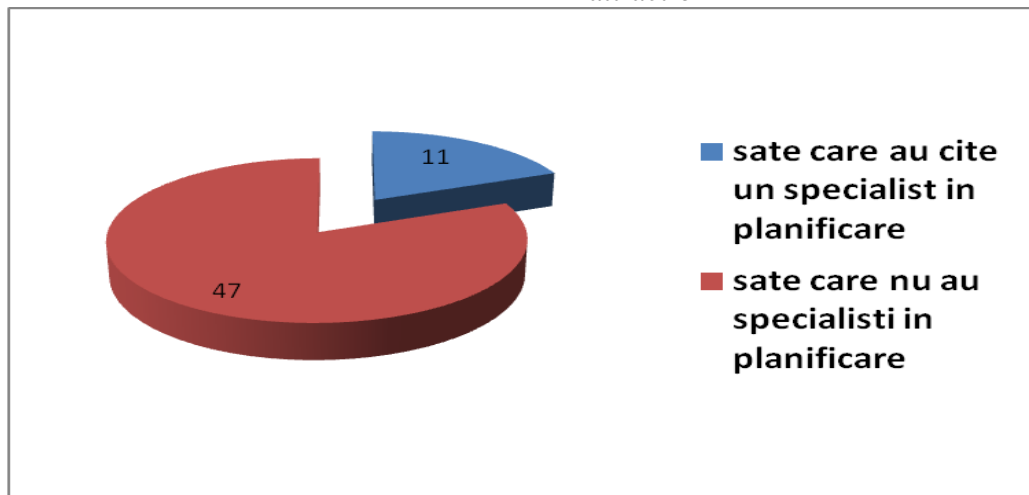
We consider necessary the more detailed presentation below, of the findings regarding the absence of qualified staff within the TAU in strategic planning and attracting investment, since the lack of specialists was undoubtedly one of the certain causes of the difficulties of this field.

If in Soroca, for example, it was established under UNDP Project 'Local Agenda XXI in Moldova', which included 10 towns and 10 communes / villages, the Agency for Sustainable Development and European Integration in the structure which operate four specialists, to which add another two individuals qualified to develop and manage projects, working with other regional structures, in the district Dondușeni there are two specialists and in the district Singerei there is only one specialist in economic analysis and programming. In rural areas there are no such specialists, only accidentally, a fact which explains the very small number of projects developed at this level. Among TAU's target group of this project, a single district, Cantemir, has benefited from the support of MSIF, within which was created a center to attract investment.

The data contained in Tables 6. 9. 1, 6. 9. 2, 6. 9. 3 revealed that the total number of specialists in areas to attract investment is 72, which expresses the average of less than person in the case of considered TAU. There is therefore a chronic shortage of specialists that was found, in some cases only during discussions at the TAU during evaluation and roundtables. There were, as noticed, cases where the need of qualified staff was perceived properly.

Pay attention to the fact that 11 of the villages assessed employed a specialist in the field of reference, and the difference is not even one. (Table 6. 9. 1).

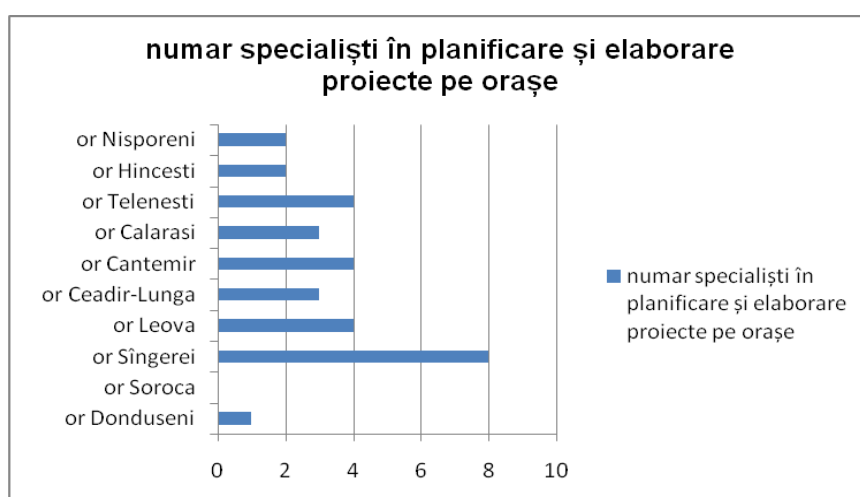
Table 6. 9.1. Situation on the villages, with skilled employees in strategic planning / investment attraction



Villages having a specialist in planning

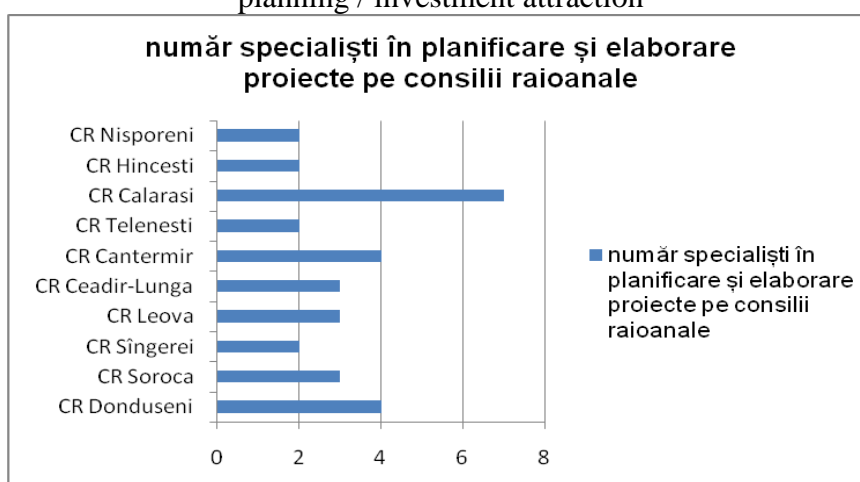
Villages not having specialists in planning

Table 6.9.2 Situation of the cities with the number of skilled employees in strategic planning / investment attraction



Number of specialists in planning and elaboration of the projects in the city

Table 6.9.3 Situation of the districts with the number of qualified employees in the field of strategic planning / investment attraction



Number of specialists in planning and elaboration of the projects in the district councils

From the study results, therefore, that there was a well-structured concept nationally and much less locally to identify the real needs of specialists, for the formation of structures/staff specialized to attract investment, qualification and employment of a reasonable number. Another finding concerns the training of staff formation shortages in those fields mentioned of the LPA, activity that could have temporarily limited specialist crisis.

Table 6.10. Situation with employing experts in economic planning and management projects

<i>Tip specialist</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
Specialists in socio/economic planning	10	100.0%	9	90.0%	4	6.9%
Specialists in project management	9	90.0%	8	80.0%	7	12.1%
Total units	10		10		58	

Basically, at communes / villages level, only 19% of investigated LPA have experts in at least one of the two fields. The situation is better within the cities and districts, where even the presence of a specialist in one of the two areas is close to 100% (Table 6. 10).

For municipalities / villages, whose number exceeds the threshold of 40 in the investigated sample (minimum limit to conduct an inferential statistical analysis),it could be made a valid correlation analysis regarding the possible existence of a link between the number of specialists in economic planning and project management, on the one hand, and the number of projects developed and approved, on the other hand (6.11).

Table 6.11. The correlation between the number of specialists and the number of developed / approved projects

Details	Details	<i>Number of developed projects</i>	<i>Numar of approved projects</i>
<i>Number of qualified specialists</i>	<i>Pearson correlation</i>	0,478*	0,346*
	<i>Sig. (2-tailed)</i>	0,001	0,025
	<i>N</i>	49	42
<i>Number of developed projects</i>	<i>Pearson correlation</i>	1,000	0,941**
	<i>Sig. (2-tailed)</i>	.	0,000
	<i>N</i>	49	41

Analysis of correlation between the number of specialists (in socio-economic planning and project management) and the number of projects developed indicate a Pearson coefficient R-sq = 0.478 **. The size of this ratio and 5% significance threshold, indicate the fact that once employing or training staff in these fields increases the number of projects developed. Similar results are obtained when the correlation between the number of specialists and the number of projects approved: R-sq = 0.346, Sig = 0.025.

We draw further attention to the fact that mere expression of supporting European integration is not sufficient for proper management of its inherent processes. There are thus needed interventions well managed from central to local LPA for the full and correct understanding of the situation and responsibilities, as well as to prepare elected persons, management staff and professionals, in order to support quality and knowledge of all actions.

It was also found that it was not understood well enough the potential that represents the access of existing funding sources and there was no necessary capacity to attract them, on one hand because of the ignorance of the existing opportunities and, on the other hand, because of the lack of guidance, support and coordination on the part of the entitled authorities to provide such services to the TAU. Therefore, we pay attention to the opportunities that probably got lost and will be lost, unless they take the necessary measures to cover the great shortages of capacity.

In close relation to the matters discussed above are the number and amount of funding projects developed under the TAU. Thus, in Soroca district there were developed 38 projects, 35 were submitted and 33 were approved, 30 of which have already been implemented and 3 are currently being in progress. The total of accessed amount was more than 100000 euro. In Singerei district one project was developed that was then submitted, approved and it is in progress. This very suggestive example illustrates the large differences between the capabilities of some TAU on the same hierarchical tier to attract investment and various funding that have as causes the absence, as

mentioned before, of specialized staff, on the one hand, and insufficient concern of local government, on the other hand. From Table 9.12 results the numbers of projects developed and submitted. Thus, obviously, the district level was best represented from the viewpoint of the number of projects developed, however, the towns and communes/villages have the highest rates of approved projects.

Table 6.12. Situation of number of projects developed and submitted

<i>Stage of project</i>	<i>DISTRICT</i>	<i>TOWN</i>	<i>COMMUNE</i>
	<i>Medium no.</i>	<i>Medium no.</i>	<i>Medium no.</i>
Developed projects	16,11	6,1	5,82
Approved projects	9,25	4,8	4,52
Ratio of approval	57%	79%	78%

In terms of value of projects implemented, in districts there is a concentration within the range of "over 100.000 Euros", while for the communes the distribution according to the 5 stages is almost uniform. From this standpoint, cities are distributed on four of the five stages, with a percentage of 60% in the range "over 100.000 Euros". The situation is presented in details within Table 6.13.

Table 6. 13. Distribution of value of projects implemented

<i>Value of projects</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>Nr</i>	<i>%</i>
<i>under 10.000 Euros</i>	0	0.0%	0	0.0%	8	14.8%
<i>10.000-30.000 Euros</i>	1	12.5%	1	10.0%	9	16.7%
<i>30.000-50.000 Euros</i>	0	0.0%	1	10.0%	8	14.8%
<i>50.000-100.000 Euros</i>	0	0.0%	2	20.0%	11	20.4%
<i>over 100.000 Euros</i>	7	87.5%	6	60.0%	18	33.3%

Questionnaire data analysis allowed also the detection of interesting findings concerning the existence of public-private partnerships and effects of such collaborations. The main finding was that, given the relatively small private sector development, the lack of experience in the field and limited practice of initiating and developing this type of collaboration, that segment of interest has been largely ignored, its potential being not enough acknowledged or adequately exploited. Both the district level, as well as almost entirely in rural areas, there was a small number of public-private partnerships, the agreements regarding, particularly, social, cultural and infrastructure, with results less relevant to local development, aspect that demonstrates reduced capacity of TAU to manage, yet the significant reserves of cooperation.

In conclusion, we consider that the average capacity for strategic planning and attracting investment is higher in districts and cities, with some significant differences between LPA, ranking from acceptable to the low and very low level in villages, where we can hardly talk about it, there is therefore a potentially substantial capacity building that is urgently required to be valued.

Strategic planning capacity is one of the management functions whose analysis provides conclusions with high relevance for the assessment of all organizational and functional elements

defining for the local government system and hence for assessing the quality of leadership practiced within it.

Conclusions:

1. For LPA, there is no institutionalized system of strategic planning at the republican level to provide the types of TAU and depending on the local/regional:

- defining concepts;
- the manner of setting the goal, objectives, results and their subsequent activities on the importance and priorities;
- basic structure of the planning documents, content development (scope) and manner of their development;
- responsibilities in this field;
- the procedures for recording tasks, evaluating, monitoring, updating and adjusting plans;
- form of support / cooperation from the competent authorities for the development and management of strategic documents;
- the arrangements for consultation / information /civic education of community and other elements to facilitate local strategic planning approach;

For this reason, the capacity for strategic planning is either missing or inadequate, or can not support local development.

2. Although in some districts and cities there are strategic development plans, some well-developed and functional, however such documents are missing, but in most rural areas they have a formal character, and thus being effectively used as a working tool. This means that due to lack of capacity, a significant part of the territory and population are excluded from the benefits of this type of organization and activity of LPA.

3. At country level there has not been made a general inventory of needs and opportunities at local / regional / national level of attracting investments, priorities and emergencies in this field, there is no consistent and coherent strategy for accessing external funding for various categories of projects / programs and no mechanisms to support local communities in this regard. As a result, establishing planning objectives, responsibilities, resources and activities is difficult; coordination is inadequate, incomplete implementation, these facts indicating, in turn, shortcomings on strategic planning and attracting investment. Strategic plans are often drawn independently, without taking into account the elements of context, without cooperating with other TAU or local institutions and community involvement in strategic planning is weak, with no practice on this subject. As a result, integration, coordination, cooperation, mutual aid, scope, expectations and results are limited to issues that indicate a serious shortage of capacity.

1. Planning perspective is limited, strategic planning measures are used randomly or unconscious, necessary updates are performed rarely, issues which expresses lack of knowledge, experience, training and habit of tackling local issues on the strategic plateau. Capacity deficit picture is completed by permanent lack of resources, political pressures regarding their distribution, the difficult situation and poverty affecting for long-term the majority of TAU.

6. Strategic planning capacity to attract investment has been diminished by the absence within TAU of specialized structures and qualified personnel in these fields, and insufficient training of local elected persons and officials from local public administration.

7. Although a series of projects with external funding have been achieved, they have not reached high levels, and the areas concerned have been subsumed, in particular, the immediate emergencies, such as the improvement of living conditions, improving infrastructure, water and natural gas provision and less the economic development for medium and long term of the mentioned area, such as to generate jobs and to ensure steady and predictable development of communities. We

emphasize, however, that the number of projects implemented in rural areas is quite low compared to actual local funding needs and even the potential possessed by some TAU.

8. Public-private partnerships have an insignificant development, which makes them lose good opportunities for cooperation in local development.

Recommendations:

1) Development at republican level of the integrated strategic planning Concept in local public administration, to provide: definition of domain-specific concepts; the manner of setting the goal, objectives, results and their subsequent activities, according to the importance and priorities; manner of fulfilling tasks; basic structure of the planning documents, development, content and manner of developing them; responsibilities in the field; procedures for recording tasks, evaluation, monitoring, control / regulation, updating plans; form of support / cooperation from competent authorities; ways for consultation / information / education for citizens and community; professional training in the field; resources allocated and other elements to facilitate local planning approach.

2) Creating at republican, district, town and village level of structures / specialist positions dedicated to coordinating / implementing integrated strategic planning in the territory, with the task of attracting investment and funding opportunities as well as supporting TAU in solving such tasks, especially in rural areas.

3) Developing practical Guide regarding strategic planning and attracting investments for the use of local elected officials, professional staff and officials of local administration.

4) Integrated Concept Development of attracting investment and external funding to provide general true inventory at the country and TAU level, needs, opportunities of national / local offer to attract investment, upon the priorities, emergencies, facilities, amount needed, and sources of funding / financing and other elements for the functioning of the field.

5) Identification at State Chancellery level, in collaboration with the Academy of Public Administration, of the personnel training needs of local governments in the fields of: management; strategic planning of local development; local autonomy and decentralization; financing projects and programs; project management; European integration, foreign languages and computer science and the organization, correlative, of some training programs for local elected authorities and officials who require such knowledge.

6) Development of organizational and operational framework necessary to encourage public-private partnerships concluded between the TAU and entities of different categories that exist in their administrative territory or in other areas of interest.

7) Achieving organizational diagnosis of Singerei District Council based on job analysis, on principles of design and organizational change. Remove jobs that have lost their functional utility, along with the establishment of structures / functions to support the new needs of institutional development (e.g. specialist in counseling and assistance in protecting the rights of local communities, a trainer at the district level to conduct this type of work locally).

8) Introducing within the LPA activity the quality management system and its subsequent procedures.

1.7 Capacity to build relationships

Indicators used in the achievement of this chapter are the following:

- *The number of TAU who reported interference (interference in the decision making process) from other local governments / institutions*

- *Number and type of litigation in which the target TAU participated (village, city, district, national)*
- *Number of projects / programs developed by NGOs (village, city, district, national)*
- *Number of public-private partnerships*

Capability of cooperation, essentially expresses, ability, and potential of LPA to develop useful partnerships within institution, inside and outside the community with: the district and central administration; personal staff; local people; other institutions and organizations in the country and abroad; collaborative partners; NGOs; local economic agents and from other areas of interest etc.

7.1.1 Relational autonomy

In accordance with the law (Article 6 of Law No. 436/2006 regarding local public administration), the relationship between central and local public authorities are based on the principles of autonomy, legality, transparency and collaboration in solving common problems. "Local and regional councils, mayoralities and presidents of districts function as autonomous administrative authorities, deal with public affairs in villages (communes), cities (municipalities) and districts, under the law". The law mentioned also provides that "between local and central government level, between the first and second level public authorities there is a relationship of subordination, except for cases as provided by law". In Article 4 of Law No. 435/2006 is stated the cooperation between public authorities, being specified the fact that "Public authorities of first and second levels, and the central ones may cooperate under the law to ensure the achievement of some projects or public services requiring joint efforts of these authorities". Equally, from the comparison of the provisions of normative acts alleged resulted the existence of own domains and responsibilities of public authorities, and analysis of all provisions revealed significant similarities between them.

These legal provisions establish the basis for relations between the two levels of LPA, although in our opinion, the existing system complicates the relationship between structures that, in principle, have symmetrical features, even if they perform on different levels.

Thus, if for the villages and communes skills are typical of the categories of administrative and territorial unit in question, ensuring premises/conditions of autonomy, the structure of district overlaps as responsibility over some of their powers, especially in the district headquarters where it exists, simultaneously, and the respective mayoralities. There occurred, therefore, the image of parallel operation in the same area of jurisdiction of two administrative structures (municipal and district) not very different, in this case the district seemed to be a local government authority of the intermediate type, with a forced and artificial legal status. The situation found was capable of creating confusions of tasks, dissipation of authority, increase the complexity of relations and unnecessary expenditure, having, especially in regard to the scarcity of resources available. On the other hand, budgetary and financial jobs, such as that of the main credit accountant that is achieved by the district chairman in relation to other territorial administrative units, they located on a position prevailing in the system of relationships with the other elected, unbalancing in his favor the balance at the local level. Adding to that the exaggerated number, in our opinion, of the territorial administrative units of the Republic of Moldova as compared to the dimensions of the country we got the picture of a system of local public administration, including in terms of relations that they generate, full and expensive towards the current possibilities of the state to support it.

Over the geographical area of responsibility of these structures were overlapped, in terms of specific competencies, regional offices of the State Chancellery, which we believe did not hold, however, the tools necessary to be able to perform administrative functions that should have been taken by them, including a system based on local autonomy and devolution.

Compared to the present context, we consider that one the most important issues related to possible interference by other authorities in the activity of TAU. Form the analysis of questionnaires and discussions during the evaluation work, it resulted, so explicitly and implicitly, the fact that interference occurred and are unavoidable because of imperfections of the relational system generated by the current administrative context.

Table 7.1 Situation reporting intervention from higher education institutions

<i>Interventions occurred</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
DA	3	33.3%	5	50.0%	37	67.3%
NU	6	66.7%	5	50.0%	18	32.7%
NS/NR	1		0		13	
Total unities	10		10		68	

Although, especially in districts, the presence of mixture has been denied for 66% of them, in rural municipalities that practice was recognized in 67% (Table 7.1) offering the explanations regarding their causes- first of all it was about reminiscences during the period when the relationships between authorities had different forms, about some political causes and then about the fact that structures that managed the budgeted distribution were considered justified to give indications in the fields on different problems. Other similar actions aimed the submission of instructions, recommendations, orders, etc. It was also noted, however the fact that in some cases, the actions initially considered interference were, in fact, rules of guidance regarding the performance of tasks and duties specific for some fields urgently claiming such interventions.

With all its limitations, the existing regulatory framework did not hinder the manifestation of relational autonomy, and thus allowed the profitable development of links on various dimensions of cooperation.

The main hindrance came, however, at the mentality level. Created with the reflex of obedience to higher authority orders, regarded as the only one to decide on major questions of management, of the unconditional subordination, incarcerated in a rigid hierarchy, but with an authoritarian behavior to lower levels, the local LPA staff and elected officials local did not adapt yet to the possibilities offered by current developing relationships. So that, at the level of some villages TAU, "unraveling" from district, or even its direct intervention in order to develop local relationships with other entities outside the area is expected.

Noteworthy in this context as well upon the fact that the lack of true support and inconsistent training of local elected officials and LPA officials regarding the management of relations represented other clear reasons of the current state of partnership capability.

Table 7.2. Typology and the average number of interventions

<i>Type of intervention</i>	<i>District</i>			<i>Town</i>			<i>Commune</i>		
	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>North</i>	<i>Centre</i>	<i>South</i>
orders/indications	0	1	0	0	0	1	2.42	2.62	2.6
recommendations	0	1	0	1	1	2	18.5	2.64	4.12
budget failure	0	0	0	3	0	0	1.07	1	3
delayed allocation of the amounts approved	0	0	0	5	1	1	0.83	1	3.5

As shown in the table above, types and number of interferences vary both by type of LPA, as well as by the region in which they occur. Thus, in the case of districts, the number of interventions is very low and is manifested in a form rather "friendly": indications and recommendations. In the case of towns, especially those in the north, it is already felt the presence of coercive interference type: failure of promoting the budget and delay of allocating the amounts approved. For communes,

there is a stronger presence of the indications and recommendations, and the mixture of coercion type is manifested especially in the south LPA.

7.1.2 Supporting LPA

It is also necessary to mention the support that TAU received in different situations from other authorities of PLA and institutions. Thus, the analysis of questionnaires showed that 100% of districts, 100 % of cities and 98.2 % of villages have benefited from the support from other authorities and institutions, an issue that we consider very positive (Table 7.3).

Table 7.3. Situation of support received

<i>Support received</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	10	100.0%	10	100.0%	55	98.2%
NO	0	0.0%	0	0.0%	1	1.8%
NS/NR	0		0		12	
Total unities	10		10		68	

We found, thus, that the support was directed to all types of LPA .This fact was considered, to some extent, as very "important" - 29% of surveyed structures and "important" - 51% of surveyed structures , aspect which reveals also the positive aspects of relations between the various authorities of LPA. In 17% of cases, respondents considered that the support was "quite important".

Table 7. 4. Perception regarding the importance of support

<i>importance of received support</i>	<i>Region</i>			<i>TOTAL</i>	
	<i>North</i>	<i>Centre</i>	<i>South</i>	<i>nr</i>	<i>%</i>
<i>extremlye important</i>	6	7	10	23	29%
<i>important</i>	12	20	8	40	51%
<i>quite important</i>	3	7	3	13	17%
<i>not important</i>	0	0	0	0	0%
<i>NS/NR</i>	1	1	0	2	3%

From the above table it is further noted that the LPA in the south gave a higher importance to the support received, compared to those in central and northern regions.

In terms of number of cases in which TAU were supported, it was found that their number was higher in the center (almost 4 cases / year / TAU). In southern and northern areas it was reported a half number of situations in which support was received (1.9 or 1.5 cases / year / TAU).

Table 7.5. Number of cases when support was received

<i>year</i>	<i>Region</i>		
	<i>North</i>	<i>Centre</i>	<i>South</i>
2008	1.93	3.6	1.53
2009	1.86	3.83	1.4
2010	1.64	3	1.33
TOTAL	5.43	10.43	4.26

The main areas that received support from other TAU/ institutions were: education, health, public order, exceptional circumstances, and economy.

We draw attention to the fact that it is necessary to quantify, including the support received, since those activities are consuming resources that should be highlighted in terms of costs incurred, of the results and effectiveness of relations between local public authorities and their cooperation partners.

As we noticed, the relations at local level were focused, especially, on specific issues, related to the everyday management of life of people and followed less strategic issues in the field of economic and social development for medium and long term, which expresses therefore a limited capacity to design partnerships in important fields for local development.

7.1.4 Cooperation of LPA with other authorities / institutions / NGOs

Regarding the questionnaire on the existence of conflict situations at different levels between TAU, 29.7% stated that they had in the last three years situations of conflict with other public institutions (Table 7.7). This structure (30% -YES/70%-NO) is uniform both in the territorial structure (on the three regions investigated) as well as on the administrative structure (at those three levels of local public administration).

Table 7.4. The existence of conflict situations in 2008-2010

<i>Conflict situations with other public institutions</i>	<i>TOTAL</i>	
	<i>nr</i>	<i>%</i>
YES	22	29.7%
NO	52	70.3%
NS/NR	4	

On the other hand, there were analyzed disputes after which TAU were sued, because such situations expressing both the ability to amicably resolve some issues such as relationships and the one to perform correctly and legally the powers. Since there are no physical and qualitative indicators to correlate the number / type of disputes to the efficacy / adequacy of administrative activity, we note that the reference TAU has been involved in a total of 226 disputes. 135 disputes (59%) of them were reported by only two TAU: Singerei mayoralty and district Council of Soroca. We repeat in this context the observation that many complaints do not have as cause shortcomings within TAU activity, but imperfections in the legislation which require citizens to sue the local public authorities.

Table 7.5. Typology of disputes in the period 2008-2010

<i>litigation type</i>	<i>LPA authorities</i>	
	<i>nr</i>	<i>%</i>
<i>cause/litigation</i>	57	25.2%
<i>civil</i>	73	32.3%
<i>criminal</i>	2	0.9%
<i>ad-tive litigation</i>	94	41.6%

The existence, however, of criminal cases under trial revealed quite serious violations of law in some TAU, issue of concern in terms of both activity of local elected officials, as well as that of the structures over which they preside, but imperfect legal framework that manage some fields that are included in the direct powers of local public administration authorities (i.e. the land), which allows

different interpretation of legal provisions. The same conclusion resulted from the large number of administrative litigation cases.

Analysis of various relations in which were involved LPA at different levels generated the finding that 100% of the districts, 90% of the cities and 80% of the communes have participated in various cooperation with other local government of level I, II and central one within the 402 projects that focused mainly social and infrastructure fields (Table 7.9). And from this situation it follows that the deficit of capacity regarding projects in cooperation with other local governments also manifests mainly in rural areas, which proves insufficient coordination and support they have received, on the one hand, and lack of specialists, on the other hand.

Table 7.6. Situation of projects development in cooperation with other local public administration authorities

<i>projects in cooperation</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	9	100.0%	9	90.0%	45	80.4%
NO	0	0.0%	1	10.0%	11	19.6%
NS/NR	1		0		2	
Total unities	10		10		58	

During the reporting period, the units that participated in such projects have cooperated in 2-4 infrastructure projects, two projects on human resources / education and 2-3 social projects (Table 7.10). It is noted that although, overall, most projects have been reported in the social field, this fact was the effect of the cooperation of a greater number of LPA authorities, and not by developing a larger greater number of projects by each LPA. Participating in projects aimed at economic development was, however, extremely restricted. A very small number of LPA (26 of 78, or 33%) developed only one such project in the 3 reference years.

We express, in this context, the observation that, in our view, development and promotion of projects activity was relatively low, which expresses a lack of capacity of the TAU evaluated to take such measures. From the discussions, especially in the rural TAU, result the low level of information of their leaders and officials at that level regarding the opportunities that are offered for local development by cooperation of the various categories of projects.

Table 7.7. Typology of projects carried out in cooperation with other LPA authorities

<i>Types of projects</i>	<i>North</i>		<i>Centre</i>		<i>South</i>		<i>TOTAL</i>	
	<i>total</i>	<i>nr/LPA involved</i>	<i>total</i>	<i>nr/LPA involved</i>	<i>Total</i>	<i>nr/LPA involved</i>	<i>Nr</i>	<i>%</i>
infrastructure/environment	62	3,44	61	2,10	14	2,33	137	34,1%
economic development	0	0,00	13	1,08	1	1,00	14	3,5%
human resources/education	26	2,16	29	2,23	5	1,66	60	14,9%
social	114	1,75	55	2,89	9	2,25	178	44,3%
others	2	1,00	8	4,00	3	1,00	13	3,2%

At the LPA level it was provided significant support from the decentralized public services, particularly in the fields of: public records; social security, marital status; health and statements of the interviewed persons confirmed the good cooperation of TAU with these services. Thus, 46 of

the LPA have reported that they had cooperated with the decentralized public services in 851 cases, from these actions benefited a significant number of people within the TAU (Table 7. 11).

Table 7. 8. Participation in cooperation with decentralized public services

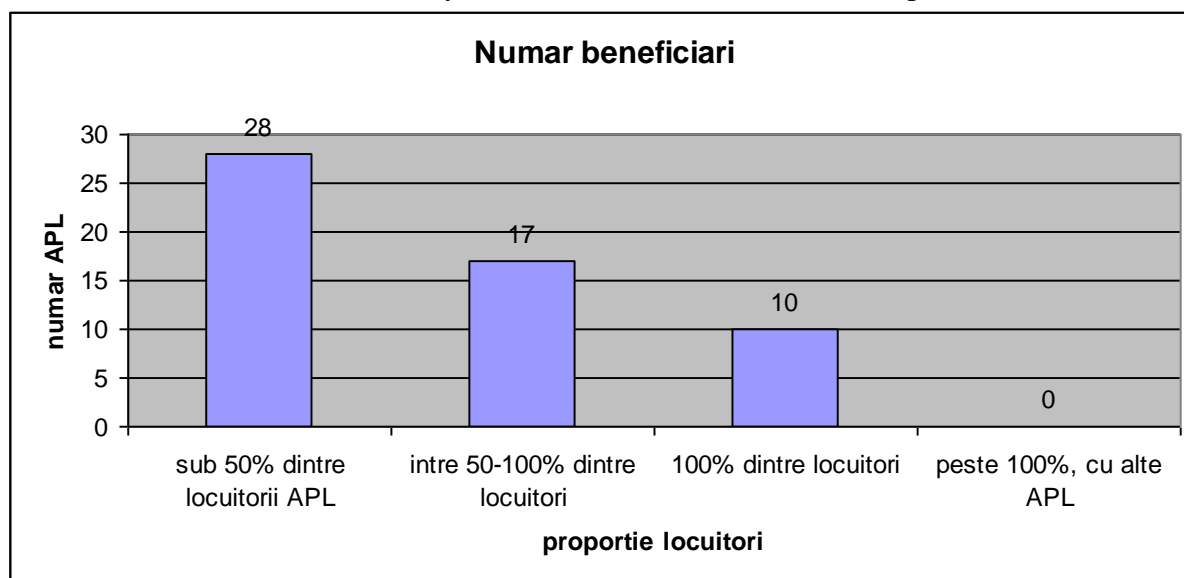
<i>actions cooperation</i>	<i>DISTRICT</i>		<i>TOWN</i>		<i>COMMUNE</i>	
	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>	<i>nr</i>	<i>%</i>
YES	6	85.7%	6	60.0%	33	68.8%
NO	1	14.3%	4	40.0%	15	31.3%
NS/NR	3		0		10	
Total unities	10		10		58	

The main areas where cooperation with the decentralized services was performed are the following:

- Social assistance: 16.7% of the units;
- environmental issues: 13.3% of the units;
- health care: 12.2% of the units;
- civil protection: 10% of units;
- enrollment in the national army: 8.9% of units.

Regarding the distribution of the number of beneficiaries of the projects of cooperation with decentralized, situation is depicted in the chart in Table 7.12:

Table 7.9 Situation by the number of beneficiaries of cooperation actions



It is noted that 52% of cases, the beneficiaries ranged between "below 50% of the population".

During the reporting period, at the targeted PLA level, a number of 50.003 people in 2008, 50.411 in 2009 and 27.667 people in the first eight months of 2010 received public aid, the share of expenditure in the budget with these within the range 0-4%. Assisted categories were mainly the retired due to illness / disability, no income and unemployed persons, those three categories are present in comparable proportions. Also, another category well represented, although included in the choice of answer "others", it is represented by children of dysfunctional/disadvantaged families, aspect that expresses also the major problems that are facing an important part of the population in terms of ensuring minimum living conditions, amid general poverty in the country. It must also be stated that for the benefit of persons assisted were held activities on Children's Day, Knowledge Day, Roma Day, Victory Day etc. organized with other secular and religious moments. There may

not thus be denied good intentions to help people in difficulty in the conditions under which such actions are more limited by budgetary constraints and the difficult situation of the PLA.

However, it was found that within 52 TAU committees have been established on the issue of human trafficking, domestic violence, HIV / AIDS and the proportion of 55.2% of the target localities have instituted proactive measures aimed at social inclusion measures (Table 7. 12). We believe, however, that the absence of 33% of villages assessed of the committee type mentioned and 45% of social inclusion measures also express a negative aspect concerning the management of issues related to the fields in question.

Table 7.10. Situation of committees to prevent trafficking and domestic violence

<i>Committees existence</i>	<i>TOTAL</i>	
	<i>nr LPA</i>	<i>%</i>
YES	52	72.2%
NO	20	27.8%
NS/NR	6	

We also found that from social inclusion programmes: The "National Health Policy", "Integrated social services system", etc. benefited about 5600 people in 2008, 5000 people in 2009 and 3200 people in the first part of the year 2010, that 254 programs were initiated and conducted regarding prevention and protection of victims, informing people about these issues in the fields of: development of projects / partnerships, preschool education, eliminate gender discrimination etc. (Table 7.13).

Table 7.11. The situation of social inclusion measures

<i>Measures of social inclusion</i>	<i>TOTAL</i>	
	<i>nr LPA</i>	<i>%</i>
YES	37	55.2%
NO	30	44.8%
NS/NR	11	

Besides the negative aspects, we found undoubtful fact that local public administration authorities have made great efforts to ensure that in difficult financial and material conditions, however, the management of relief activities of the various categories of people with social problems. All these findings prove that the locally developed relationship with members of the community on issues of interest, their scope is however limited by scarce resources allocated to such type of activity.

Table 7.11. Typology of programs to prevent social problems

<i>Programme type</i>	<i>LPA authorities</i>	
	<i>nr</i>	<i>%</i>
<i>partnerships P/P</i>	21	8.3%
<i>Prescholar education</i>	58	22.8%
<i>Active education of citizens</i>	35	13.8%
<i>Prevention of school abandonment</i>	124	48.8%

<i>Elimination of gender discrimination</i>	16	6.3%
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As shown in the table above, the main problem was the failure and school abandonment prevention, to which the PLA authorities focused almost 50% of programs for social problems (Table 7.14).

Interpretation of the questionnaires revealed the existence of cooperation relations and development of projects / programs with local structures assessed in 49 of the LPA.

Table 7.13. The existence of partnerships with NGOs

<i>Partnerships with NGOs</i>	<i>TOTAL</i>	
	<i>nr</i>	<i>%</i>
YES	49	69.0%
NO	22	31.0%
NS/NR	7	

Compared to the possibilities that are opened by the collaboration with NGOs, we consider that the relations with them were placed at a relatively modest level, considering as well, however, the generally reduction of the magnitude of the associative environment development in territorial profile. As a result of collaboration with NGOs were initiated and performed a total of 182 programs / joint projects (87 programs in 2008, 45 programs in 2009, 60 programs in the first quarter of the year 2010), including partnerships, in the following key fields: -building-repair (school, kindergarten, library): 13.0% of LPA;
 -social support: 13.0% of LPA;
 -supporting educational system: 11.7% of LPA;
 -children care (leisure, play): 9.1 % of LPA.

It can be identified a dominant trend oriented to support in various forms of child rearing and education, long-term beneficial aspect for the community and society, in general.

In general, the benefits obtained as a result of participation in projects / partnerships with local public administration authorities was not calculated, although their quantification would have been important to highlight the amounts attracted to solving local problems, which have not required, thus, budgetary interventions.

Total number of beneficiaries of the target LPA collaboration with NGOs was about 82.000 people, probably under the collaboration needs and potential offered by this local resource.

In conclusion, we found that although under the legal aspect, the LPA authorities have benefited from the exercise of relational autonomy terms, this potential has been insufficiently developed / exploited, especially in rural areas and with other NGOs. This way the capacity in this field has not been sufficiently outlined, being burdened also by an obsolete culture of cooperation. Considering also the inertia found especially at rural level, we conclude that the partnership capacity can not improve without substantial support of the TAU for understanding the importance / benefit to better position them within partnership system and for learning the way to achieve, maintain and develop diverse relationships.

Conclusions:

1) The legal, organizational and functional existing framework within the administrative field has generated an intricate system of relationships between local public administration authorities at various levels, duplication and overlap, confusion of functions, as well as a situation of undue prevalence of authority over the others, expressing, thus, a lack of partnership capability.

2) Administrative system imperfections affecting relational autonomy, that have reported cases of interference in the work of territorial-administrative units, especially in rural areas, for reasons regarding the persistence of outdated administrative practices, political and financial reasons.

3) Poor initiative of some TAU failed in terms of relationship building (to achieve this, they waited for an often signal / interference / disposal of other authorities or institutions), together with poor support in the field, ignorance to inform, the absence of resources and specialists, such as and the lack of training in the field of local elected persons and administration officials were among the main causes of the current underdevelopment of partnership capability.

4) Target LPA received and appreciated the support given by other local public administration authorities in different situations, but it was not explicitly quantified, having no necessary mechanisms to highlight the resource consumption.

5) TAU relationships focused, especially on specific issues, related to people's lives everyday management and strategic plan aimed at less economic and social development of medium and long term, which expressed, therefore, limited capacity design links in areas important for local development.

8) APL has developed relationships with community members on issues of common interest (human trafficking; domestic violence; HIV/AIDS; protection of victims; public information; preschool education; elimination of gender discrimination, etc.). Their development, however, was limited by scarce resources allocated to such type of activity, amid major problems affecting a significant proportion of the population in terms of providing minimum living conditions and the state of general poverty in the country.

9) In most cases it was not taken into account the amount of benefits obtained as a result of participation in projects/partnerships with other local public administration authorities and NGOs, although their quantification would be important to highlight the amounts attracted to solving local problems.

10) Although under the legal aspect, LPA authorities have benefited from conditions for the exercise of relational autonomy, this potential has been insufficiently developed / exploited, especially in rural areas and in partnerships with other NGOs. Thus, the capacity in this area has not been sufficiently well defined, being burdened, yet by an obsolete culture of partnership.

Recommendations:

1) Improve partnership building and setting it under good governance by revising the legal, organizational and functional framework of LPA authorities in order to redefine the roles, duties and powers of each structural component; clarify and simplify the relational system; avoid overlap and duplication; eliminate interference with different aetiologies, redundancies and costs reduction.

2) Strengthen the development of relational capacity of local public administration authorities by creating a practical guide for use by local elected persons and administration officials containing administrative chart of powers/functions of different levels structures and, accordingly, their relational chart, as well as other data to ensure sufficient information, understanding the processes and functioning of the system. Make electronic version of the Guide.

3) Perform at the government level, given the limited capacity of building relationships of rural local public administration authorities, some annual actions to support them to "force" the

relationships of various categories, assimilation of experiences and best European / international practices within the field.

4) Establish a plan for building relationships at local, regional, national and cross-border and international level, as well as public-private partnerships, based on:

- a) inventory of needs and possibilities of cooperation;
- b) formulation of local cooperation offer that contains explicit data on the contribution/offer of the district;
- c) suitable fields for cooperation;
- d) potential partners;
- e) estimated modes of cooperation;
- f) necessity of governmental/European support for developing partnerships;
- g) local resources, infrastructure that can be used / activated;
- h) local policies for granting economic and fiscal incentives to cooperation partners, organization of specific activities (fairs, exhibitions, festivals, etc.).

5) To carry out / implement this plan, specialized support will be required from adequate structures of the Government. The plan will be taken into account in preparing the draft budget.

6) Organize and perform specialized programs for training local elected staff and officials in the relational field.

7) Create support groups for developing partnership relations at regional level, on the range of several districts, eventually on larger regions (e.g. North, Central and Southern), as well as at national level, which included Government representatives, local public administration authorities, NGOs, the economic operators and other interested influential organizations / persons. Achieve an integrated approach of relationships, strategic perspective and sustainable development within these working groups.

8) Introduce within the LPA authorities of distinct mechanisms to quantify both the costs incurred to fulfil the tasks put / delegated within the responsibility of local public administration authorities (but for which adequate resources have not been allocated), the costs generated by support / intervention received by the TAU in different situations, as well as the amount of benefits arising as a result of participation in projects / programs / partnerships with other LPA authorities / institutions / organizations.

9) Formulate proposals to adequate government structures regarding integrated information system design of LPA that is required within the administration process, the management of current activities and building relationship capacity.

CONCLUSIONS AND GENERAL RECOMMENDATIONS

CONCLUSIONS

1) Analysis of the legislative framework which gives powers to enable local public authorities to notice that most relevant legislative and regulatory acts do not make a clear distinction between local public authorities at different levels and hence the Law on Administrative Decentralization

setting own fields of activity of the level I and II PLA authorities are not respected. In this respect a variety of acts and decisions of the Government are identified, which set functions for LPA authorities without being connected to the provisions of Law on administrative decentralization;

2) The powers of the first level authorities have been fixed purely formal, without establishing source of financial resources to be achieved. Thus, local public authorities have been vested with powers for the realization of which they have no assets, financial resources and / or human resources necessary or appropriate capacities;

3) Analysis of financial capacity of the TAU revealed the fact that these localities are very poor. In 2009 the average local budgets income per capita amounted to 1215.82 for rural areas and 1219.83 lei for urban are or slightly more than 100 USD/78 Euros. Report of own income per capita is 10 times lower in rural areas and approximately two times lower in urban areas. This fact attests the existence of a very weak potential for development.

4) The structure of the economy is weak, dominated by commercial enterprises. Share of 6 enterprises per 1000 inhabitants is below national and regional averages.

5) Achieving LPA functions highly depends on transfers from the state budget, which reveals the low degree of autonomy of local public authorities and a reduced ability to meet the needs of local citizens. The share of own revenues in local budgets which rarely exceeds 20%, a fact making local public administration authorities to be dependent on central public authorities;

6) Excessive local political multi-party system brings great harm to public sector management process in favour of local communities, often because political interests prevail over the ones of local population;

7) Central local public administration, under the recommendations of the pay scale type and wage grid influence LPA authorities and deny some independent rights to local public administration;

8) Processes of involving citizens in the activity of local public administration through various forms, such as local referendum, public debates, round tables, the opinion polls are at incipient level and affected by formalism;

9) Legislation does not provide the category of municipal officials, although they exist in TAU that benefit from the local autonomy and therefore should benefit from the category of municipal officials that would be motivated by law to a related activity in LPA;

10) Lack of a unitary wage motivating and transparent system, correlated with the lack of effective human resource policies, which led to increasing demotivation of the public officers and, as a consequence - high turnover of staff and stagnation and / or reduction of job performance;

11) Weak development of departments, Human Resources departments of public administration inevitably lead to incorrect application of law, violations of existing laws regarding public function and status of the public officer, and as effect a weak human resource capacity management occurs;

12) In most rural areas strategic development plans are missing or have a formal character, and thus being effectively used as a working tool. This means that due to lack of capacity, a great part of the territory and population are excluded from the benefits of this type of organization and activity of LPA;

13) At national level a general inventory of needs and local / regional / national opportunities to attract investments, priorities and emergencies in this area, there is no consistent and coherent strategy for accessing external funding for the various categories of projects / programs, nor mechanisms to support local communities in this regard. As a result, establishing planning objectives, responsibilities, resources and activities is difficult, coordination is inadequate, incomplete implementation, these indicating, in turn, shortcomings on strategic planning in terms of attracting investment;

14) Strategic plans are prepared often independently, without taking into account the elements of context, without cooperating with other TAU or local institutions, and community involvement in strategic planning is weak, without constant practice on this subject. As a result, integration, coordination, cooperation, mutual aid, scope, expectations and results are limited to issues that indicate a serious shortage of capacity;

15) The legal, organizational and functional existing framework within administrative field has generated a complicated system of relations between the PLA authorities at different levels, duplication and overlap, confusion of responsibilities as well as a situation of undue prevalence of authority over the other, expressing thus a lack of partnership capacity;

16) Administrative system imperfections affected relational autonomy, so that there have been reported cases of interference in the work of TAU, especially in rural areas, for reasons that regarded the persistence of outdated administrative practices, of political and financial reasons.

Main conclusion.

TAU in Moldova generally have limited capacities, suffering from a chronic under-funding, the marked lack of specialized human resources and materials in fields of great practical importance and, therefore, especially in rural areas, an administration which we could characterize as being in an overwhelming extent, of self-sufficient subsistence, issues that make the perspective of providing a genuine local autonomy and related decentralization to seem quite distant.

Recommendations

1. Territorial-administrative reorganization and consolidation of territorial-administrative units which are not included within the legislation and those who lack the administrative capacity;

2. The real purpose of administrative decentralization is strictly necessary to restore the institution of the prefect, the Government representative in the territory, as public authority directly involved in the local public administration process and responsible for the results of decentralized management of public services.

3. Using "guillotine" method on all legislative acts establishing local public administration authorities responsibilities in various fields, (besides the basic laws of LPA) and settling new powers, connected with the Law on administrative decentralization and local public administration ;

4. Bringing out the undelayed achievement of requirements established by the Law on administrative decentralization regarding assessment and establishment of administrative capacity of all local public authorities of Level

I and II and liquidation by merging those who do not meet the parameters set. To this end the Government will settle and approve the assessment methodology-framework of the administrative capacity of the TAU;

5. To develop criteria on the basis of which must take place administrative decentralization process or transfer of powers to LPA authorities according to three categories of powers: (1) exclusive / own, (2) shared and (3) delegated by the CPA;
6. To provide direct access of local public authorities to constitutional jurisdiction as well, according to the experience of other states in this field, but also by analogy with the right available to TAUG, and the right to appeal to the administrative courts the Government's decisions that affect the rights of LPA;
7. In order to develop local democracy, active participation of citizens in decision-making directly and through representatives is necessary to revise the current system of proportional representation in local elections, weakening the influence of political parties and enabling local communities to choose their representatives by roll call or preferential voting ;
8. To develop more effective direct democracy at local level, the Law on Local Public Administration should include a list of problems that can be solved only by advisory referendums and approving;
9. It is necessary to provide municipalities with an information system, modern, through which they could obtain operative information on acts adopted by central public administration authorities (Government, Ministries, Departments), experiences inside and outside the country, regarding local public administration activities. Support from the State Chancellery, of the districts concerned, the creation of web pages of TAU.
10. Introduction to the Law on public service and status of public officer, a separate section which would introduce into legal circulation the notion of function and municipal official;
11. Strengthening civil service system through: strengthening the departments, divisions, human resources services in public institutions; modernizing and improving the image of civil service system; increasing the prospects for career development; increasing public servants' professional skills by motivating civil servants; preventing and fighting against corruption.
12. To motivate the growth of professional performance of local public administration officials, they should be ensured with a decent wage system and the possibility to achieve a visible career. Promotion should be made solely on performance and morality criteria.
13. The formulation of legislative proposal to include mandatory within budget structure of institutions and public authorities the expenses connected to employee's professional development (e.g. 0.5-1% of budget).
14. Reconsider the rules and regulations that are made for the determination of local public expenditure to reflect actual unit costs.
15. Establishing at republican level of the integrated Concept of strategic planning in local public administration field, to provide: definition of domain specific concepts; the manner of establishing the goal, objectives, results and their subsequent activities, regarding importance and priorities; the fulfilment of tasks; main structure of planning documents, development, content and method of developing them; responsibilities in the field; procedures for recording tasks achievement, evaluation, monitoring, control / regulation, updating plans; form of support / cooperation from the competent authorities; arrangements for consultation / information / education of community; training in the field; resources allocated and other components to facilitate local planning approach.

16. Formation at republican, districts, towns and villages level of structures / qualified positions dedicated to coordinating / implementing integrated strategic planning in the territory, with the task of attracting investment and different funding opportunities, as well as supporting TAU in solving such tasks, especially in rural areas.

17. National political consensus on the concept of integrated strategic planning in the domain of local public administration and integrated concept of attracting foreign investment and financing, development / modification / supplement, as necessary, of the legal, organizational and functional framework necessary to carry them out.

18. Improve partnership building and setting good governance by revising the legal, organizational and functional framework of LPA authorities to redefine the roles, duties and powers of each structural component; clarify and simplify the relational system; avoid overlap and duplication; eliminate interference with different etiologies, redundancies and reducing costs.

19. Establish a plan for developing relations at local, regional, national, borders and international level, as well as public-private partnerships, based on:

- a. inventory of needs and possibilities of cooperation;
- b. local offer working formulation containing explicit data on the input / supply of district;
- c. suitable areas for cooperation;
- d. potential partners;
- e. estimated modes of cooperation;
- f. government/European support needs for cooperation;
- g. local resources, infrastructure that can be used / activated;
- h. local policies for granting economic and fiscal incentives to cooperation partners, organization of special events (fairs, exhibitions, festivals, etc.).

The main recommendation is to review the data, conclusions and recommendations of this survey, the strategy of decentralization of R. M., to design the reorganization from the territorial and administrative point of view, to achieve national consensus on these reform measures, to initiate and implement, in stages, this process, to the extent of ensuring the necessary regulatory framework, financial and material conditions, etc. along with other administrative staff training for management and implementation of the whole approach.

Schedules

1. Local public administration capacity assessment methodology.
2. Evaluation questionnaires.
3. Mapping form

4. List of indicators used in developing the Report.

1. Evaluation capacities of LPA authorities

- Number of population per locality and dynamics over the last three years (2008-2009-2010);
- Number of economic agents per capita;
- Local budget revenues per capita in 2009;
- Own revenues for 2009 per capita;
- The current state of infrastructure;

2. Regulatory framework, powers and responsibilities 15

- Administrative decentralization degree and regulatory framework compliance that regulate the powers of LPA authorities with the Law on Administrative Decentralization;
- Existing regulatory and documentary support (normative acts, statutes, regulations, etc.)
- Awareness degree of the powers and responsibilities (according to duties chart form)

3. *The organizational, functional and decision making framework 29*

- Existing regulations framework and statute-framework,
- The dependence of local councils on flowcharts type recommended by the Government;
- Level of equipping with IT &C per employee in the organization chart type;
- Number of decisions consulted with population of all decisions taken;
- Level of transparency provision of decision making processes (number of means and forms to ensure transparency);
- Existence of website of mayoralty

4. *Managerial capacity and HR management 27*

- Municipal public service identification;
- Performance evaluation system;
- Selection and promotion of staff;
- Number of professionally trained employees in the 2008-2010 of all civil servants of target LPA;

5. *Financial Management 40*

- Own revenues in total local government revenue. The indicator was analyzed by calculating the own income of TAU in total income of local budget.
- The share of administrative costs in total own revenue. The indicator was calculated by dividing the total administrative expenses to total own revenue of TAU.
- Effectiveness of local tax collection. This indicator has calculated the own revenue actually collected from own planned revenues.

6. *Strategic planning capacity to attract investment 46*

- Presence of strategic plans for local development, duration and frequency of updating the design;
- Number of projects developed and attracted investment amount per locality;
- Existence of trainees in the field of strategic planning, implementation and project management.

7. *Partnership capacity 57*

- The number of TAU who reported interference cases (interference in the decision making process) from other LPA authorities/ institutions
 - Number and type of litigation in which the target TAU (village, city, district, national) took part;
 - Number of projects / programs developed by NGOs (village, city, district, national)
- Number of public-private partnerships 5.