

**STRENGTHENING WORLD BANK GROUP
ENGAGEMENT ON GOVERNANCE AND ANTICORRUPTION
CONSULTATION FEEDBACK**



MOLDOVA

(DECEMBER 28, 2006)

Participants: See attached list

How did the process fit into ongoing country dialogue?

It was a good fit and follow up to policy dialogue in the Country. It was a useful follow-up of the presentation on the report Anti Corruption in Transition 3 (ACT 3), that was launched in 2006. The report was presented to the Government and the Civil Society in Moldova by Ms Cheryl Gray, Sector Director, ECSPE, in November 2006. This was followed by successful Consultative Group Meeting in December, co-hosted by Bank and the EU in Brussels, during which governance and anticorruption issues features prominently.

The consultation reported here, held on the December 28, 2006, is one in a series of 3 to be organized in the coming weeks, and thus does not respond to all the key questions in the attached matrix. We intend to hold similar consultations with our government counterparts and another with Parliamentarians.

What were the key issues/themes raised by participants?

Overall, the participants focused on in-country situation. The key issues included: (a) restrictive nature of current legislation, regarding financing of political parties, and NGOs; giving undue advantage to the incumbents and their allies and undermines the emergence of a level playing field, and limiting civic action against corruption and poor governance; (b) regulatory burden and selective enforcement, which to stifle development of formal private enterprises and undermine fight against corruption. (c) absence of independent media; and (d) limited involvement of civil society in the fight against corruption. In general, there was little trust in the governments and its ability to fight corruption.

Respondent Type	Consultation Reply
1. Top governance challenges in country	
Civil Society, Private Sector, Media, Academia	<ul style="list-style-type: none"> ➤ The wide spread of corruption ➤ The lack of independent mass media ➤ Insufficient financial and institutional mechanisms to implement and enforce of legislation ➤ Existing regulation of the Private Sector, give rise to corruption ➤ Legislation for funding of political parties and not for profit organizations perceived as restrictive and giving rise to non-transparent funding of activities. ➤ Lack of Civil Society involvement in Government’s reform work <p>Within these areas are some additional issues that were highlighted:</p> <ul style="list-style-type: none"> ➤ The widespread corruption within the educational system and lack appropriate avenues for students to express their views and draw attention to corrupt practices, due to their vulnerable position vis-à-vis their teachers and school administration. ➤ Widespread impunity: public figures, if and when prosecuted receive very light sentences, rarely reflecting gravity of the crime or the damage to public trust and reputation...
2. Promising areas of governance and anticorruption reform and potential obstacles	
Civil Society, Private Sector, Media, Academia	<ul style="list-style-type: none"> ➤ Legislative reform: campaign financing, media law to promote and protect independence press, ➤ Reducing the regulatory burden by implementing the second phase Guillotine law. <p>Civic engagement with the Government and Parliament on critical governance and anti corruption issues. The experience of the participants was that seeking involvement and petitioning certain issues did not result in any feedback and action on the part of the authorities. Participants strongly advocated for finding ways to get the authorities to listen.</p>
3. How the Bank should engage where governance is weak, and circumstances under which to disengage	

Respondent Type	Consultation Reply
Civil Society, Private Sector, Media and Academia	<p>The conversation while focusing on Moldova’s specific situation recognized that governance was very weak and strongly advocated for continuing Bank engagement. They recognize the value and importance of external pressures, particularly in the absence of free and independent press, and still weak civil society, and suggest that these pressures have contributed to the modest improvements in governance. .</p> <p>The fact that external pressure has proven to be an important factor for decreasing corruption and implementing necessary reforms in other countries in transition was brought up, and some participants considered the Bank having an important role in this regard.</p> <p>They suggested that the Bank should have direct cooperation with the civil society in fighting corruption. As the government in general was viewed with skepticism, the role of the civil society was strongly emphasized. Hence, the involvement of the civil society and an ongoing dialogue with the Bank was seen as important, both in the work against corruption and in the continued work with the general reform agenda.</p> <p>On a more practical level, participants wished for the Bank to finance areas directly linked to improving governance and transparency, and decreasing corruption (such as institution building and training of public functionaries, etc.).</p> <p>Finally, the focus on poverty reduction as a mean to fight corruption and improve governance was highlighted. Not only due to the perception that reduced poverty decreases bribery, but also because reduced poverty promotes a vibrant Civil Society, which is vital to reduce corruption.</p>
5. How to strengthen the Bank’s work with champions of reform outside the executive branch of government – parliament, judiciary, civil society, media and the private sector	
	It was suggested that larger firms are encouraged to coordinate with the Bank and other financial institutions in their work against corruption.
7. The Bank’s role vis-à-vis other donors in supporting governance reform	
Civil Society, Private Sector, Media and Academia	It was suggested that the Bank together with other donors provide external pressure on the government for reform.

Respondent Type	Consultation Reply
10. Other key issues	
Civil Society, Private Sector, Media and Academia	The importance of education on governance and ant-corruption was emphasized. The idea was that every individual has a responsibility to neither take nor give bribes. That the general attitude needs to change so that this is no longer seen as acceptable and that the seriousness of these acts is better understood throughout society.