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National Development Strategy for the years 2008-2011 POLICY_DOCUMENT Moldova

Title(In English)

National Development Strategy for the years 2008-2011

Geographic coverage

National

Date document

29/01/2008

Name of Authors/organisation responsible

Parliament of the Republic of Moldova

Other organisations involved

Government of the Republic of Moldova

Keywords

Strategic Planning, Economic Development, Competitiveness, Poverty Reduction, European Integration

Legal Basis / Type of document

- Official Government policy document: discussion / strategy document

Purpose/Rationale

The National Development Strategy is the main national document for medium-term strategic planning, which determines the development objectives of Moldovauntil 2011 and sets out the measures and actions to achieve these objectives. The Strategy links policy measures with the budgetary planning process, and with external technical and financial assistance. The document first provides a description of the current situation, including a SWOT analysis. In the following chapters a limited number of strategic priorities are identified, on which available resources should be concentrated to achieve the objectives and a maximum impact on economic and social development.

The fundamental objective of the document is to create conditions for improving the living conditions of the population by strengthening the foundation for sustainable economic growth. The vision is to bringMoldovacloser to European standards and thus to achieve the goal of European integration. The priority directions of development seek to adjust the relevant national policies to European norms. R&D and innovation activities shall contribute in this context to enhance the competitiveness of the Moldovan economy. A specific sub-chapter is dedicated to this issue outlining general goals, such as establishing scientific clusters, improving the material-technological basis of research organisations, etc (see point 13 Key Priorities).

An action plan for implementation of the Strategy is based on the four ?Copenhagencriteria?, which includes the aim to transpose the acquis communautaire into national legislation. The document also seeks to address problems identified in the <u>progress reports</u> prepared by the European Commission under the European Neighbourhood Policy. For R&D and innovation the action plan includes several concrete measures: e.g. developing indicators for the monitoring of R&D and innovation activities, establishing three technoparks and two innovation incubators, specification of specific research topics in the fields health, agriculture, biotechnology and nanotechnologies, etc.

The Strategy serves together with the Medium Term Expenditure Framework

as a framework for allocating resources to priorities over a period of several years and to reorient public spending to achieve the national objectives. Moreover, the Strategy tries to simplify and streamline the process of monitoring and reporting, and to orient it towards the evaluation of implementation.

What is the document type?

- Define a strategy or plan for future actions
- Define priorities
- Examine challenges

To whom is the document primarily addressed?

- Government
- Policy makers
- Other: society as a whole

Policy Context

The Strategy was developed through a broad consultation process. It was inspired by the need to continue reforms initiated with two important strategic planning documents: the Strategy for Growth and Poverty Reduction

and the Action Plan ?Republic of Moldova - European Union?. The implementation of these two strategic documents expired in late 2007 and early 2008 respectively. Being a completely new process forMoldova, the results of the implementation of these two strategies have been mixed. A series of planned actions were not fully implemented and the impact of the reforms was not always visible. This has largely been due to a lack of experience in creating an efficient institutional framework, a lack of appropriate policy measures linked to the budgetary process and of effective prioritization of sectoral policies.

The Strategy consists of two components:

1) The Strategy itself, which presents indicative directions of activities in the medium term and outlines measures for achieving identified targets;

2) An Action Plan for implementing the Strategy, which defines specific tasks for achieving the identified objectives.

The Strategy has to be revised every four to five years to confirm or modify the objectives and basic directions. The Action Plan is reviewed every year and a list of actions is defined for the subsequent year.

Indicators

Indicators are widely used in the Strategy and cover practically all relevant socio-economic areas, including economics, demography, environment, education, etc. Firstly, statistical data are used to analyse the current situation and determine the country?s priorities and medium term actions. Most detailed data are provided on economic development and aspects of poverty. Secondly, monitoring indicators have been established for each of the Strategy's priorities.

For the implementation of the strategy, an action plan was adopted. This action plan comprises some quantified targets. For research and innovation these targets concern establishing three science and technology parks and two innovation incubators.

What are the main types of indicators used?

- Economic and financial
- Environment
- General and regional statistics
- Science and technology
- Sectorial data (industry, services, trade)
- Other: In order to monitor the development of science and technology the following indicators are used: ? Expenditure on research and innovation as a share of Gross Domestic Product (GDP); ? Applied research carried out by the Academy of Sciences as a share of total expenditures on research and innovation; ? Private financial resources invested in the implementation of innovations; ? Total number of patents and number of implemented patents; ? Exports of advanced technologies as a share of total exports.

Policy Priorities

In order to modernise the country and to adapt to EU standards, five national priorities for the medium term have been proposed:

- 1. Strengthening democracy, rule of law and human rights;
- 2. Settlement of the Transnistrian conflict and reintegration of the country;
- 3. Enhancing the competitiveness of the national economy;
- 4. Human resources development, increasing employment and promoting social inclusion;

5. Regional development.

- The following conditions are considered a prerequisite for achieving the five priorities:
- 1. Ensuring macroeconomic stability; and

2. Strengthening public administration.

Increasing the competitiveness of the economy is considered a main task. Under this priority a special section is dedicated to developing the research and innovation sphere. Among measures to strengthen the capacity for innovation and technological upgrading are listed:

- Developing and promoting effective mechanisms to absorb advanced technologies;
- Creating innovation and technology transfer infrastructure, including science parks and incubators of technological innovation;
- Creation of scientific clusters, scientific platforms and orientation of the intellectual potential towards national priorities;
- Stimulating the participation of national scientific organisations in the main European and international research programmes;
- Promoting access to financial resources in technology intensive areas, in particular through alternative financial instruments ("angel investors", micro-credits etc.);
- Developing innovative scientific and managerial human potential and increasing the motivation of researchers.

Main policy priority

Other policy priorities

- 1.1.1 Strategy policy documents (official documents, policy consultation papers, green or whith papers, Operational Programmes of Structural Funds)

Targeted

- Other: No specific thematic focus

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