

PRESS-RELEASE

Reform or Rent: the Ukraine-Moldova Civil Society Task Force Launched

15th of September 2010, Kyiv - Prominent Ukrainian economists advice Moldova how to keep the reform track and avoid “rent seeking” trap in a newly released report. The analysis “*Economic Reforms in Moldova: Avoiding Ukrainian Trap*” with recommendations also mark the launch of the Ukraine-Moldova Civil Society Task Force.

The Ukraine-Moldova Civil Society Task Force is a policy platform aimed to facilitate expertise of Ukraine civil society in cooperation with Moldovan NGOs in the current transition processes of both states towards European integration. The Task Force prerogatives lay in economic transition, nation building, reforms and democratic governance sectors. The members of the Task Force are three prominent Ukrainian think tanks: the International Centre for Policy Studies, Pylyp Orlyk Institute for Democracy and Institute for Euro-Atlantic Cooperation. Starting from March 2010, the Task Force experts visited Moldova and conducted a series of in-depth interviews with staff of current and past administrations, and policy experts in charge of or directly involved in Moldova’s European aspirations. The results of the visit are three policy reports and sets of recommendations to the governments of Moldova, Ukraine and international society.

The first report “*Economic Reforms in Moldova: Avoiding Ukrainian Trap*” prepared by a team facilitated by the International Center for Policy Studies concentrates on how Ukraine’s experience could prevent Moldova from falling into the same traps while revealing the obstacles to democratic transformations in the country. Both countries are loosing momentum to undertake substantial reforms due to political infighting, the primacy of vested interests of rent-seekers, and a lack of public institutional capacity.

The report concludes that **further approximation to the EU should naturally become the path to reforms**. The EU integration approach requires widespread deregulation, which is the lowest hanging fruit in terms of economic reforms. The small scale of Moldova’s economy and high level of monopolization create conducive environment for reforms to work, improving the business climate and attracting more investment. Reorganizing public administration along EU standards would allow Moldova’s leadership to operate effectively in a democratic environment and build the institutional capacity necessary to implement reforms.

Ukrainian civic experts see many issues of two countries facing are inter-connected (such as Association Agreement and its implementation). “Moldova is one of the key countries for Ukraine to re-assert its regional position through a different attitude in its foreign policy. If Ukraine is Moldova’s partner it should think of what it can do *with* Moldova, not *for* Moldova - this is guiding principle of the Ukraine-Moldova Task Force” affirms Maxim Boroda, the head of Socio-Economic Program of the International Centre for Policy Studies.

The current report is available in Ukrainian, English and Romanian languages at ICPS and UNITER websites. Two additional reports on national building and democratic governance will be published in the next several weeks. The release of all three reports will be concluded with a policy briefing in Kyiv on 12th of October that will gather senior representatives of Ukrainian government and international institutions.

The report was prepared by the International Centre for Policy Studies and supported by the Ukraine National Initiatives to Enhance Reforms (UNITER) project, funded by the United States Agency for International Development (USAID) and implemented by Pact.

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