



Project Evaluation: Summary Report

Republic of Moldova: Modernization of Local Public Services
Fund for Regional Development

Project no.:	08.2167.8 and 12.2505.1
CRS purpose code:	43030: Urban development and management
Project objective:	Local services in selected rural areas in the three priority areas waste management, water supply and sanitation and energy efficiency of public buildings have improved.
Project term:	01/2010 – 12/2015 (08.2167.8); 12/2012 – 12/2015 (12.2505.1)
Project volume:	23.9 Mio. EUR (08.2167.8) including 12.6 Mio. EUR (BMZ), 6 Mio. EUR (Government of Sweden), 4.7 Mio. EUR (European Union), 0.5 Mio. EUR (Government of Romania), 0.1 Mio. EUR (Swiss Confederation). 7.3 Mio. EUR (12.2505.1)
Commissioning party:	German Federal Ministry of Economic Cooperation and Development (BMZ)
Lead executing agency:	Ministry of Regional Development and Construction (MRDC), Republic of Moldova
Implementing organisations (in the partner country):	State Chancellery, Various Line Ministries, Regional Development Agencies, Regional Development Councils, Local Public Authorities, Public Utility Providers, Congress of Local Authorities from Moldova (CALM), Association of Moldovan Water Operators (AMAC), Academy of Public Administration (APA)
Other participating development organisations:	Government of Sweden, European Commission, Swiss Agency for Development and Cooperation (SDC), Government of Romania
Target groups:	Population in the selected rural partner localities

Project description

Moldova is a relatively young and narrow democracy characterized by low levels of trust in the political system and high levels of corruption. A recent banking scandal involving a fraud and theft of approximately one billion EUR from three local banks has forced the central bank to stabilize the insolvent banks by injecting money and has caused a spike in inflation further undermining the trust in public institutions. Stemming from Moldova's location on a geo-political fault line,

the society is divided by the question of whether Moldova's geo-political orientation should be towards Europe or Russia. In this context, Moldova has signed an Association Agreement (AA) with the EU with the aim to deepen political and economic relations. Regional Development is enshrined in the action plan of the Moldovan Government for the implementation of the EU-AA.

Moldova is characterized by stark rural-urban inequalities. In 2014, more than half of the population of Moldova lived in rural areas. Rural poverty is three times higher than in urban areas. Many rural areas lack basic services such as water supply or sanitation (WSS) services, solid waste management (SWM), regional and local roads (RLR) and energy efficiency (EE) of public buildings. These poorly functioning public services undermine public trust in state institutions, weaken democracy, and create additional pressure for autonomy in rural regions (e.g. Transnistria and Gagauzia).

The Government of Moldova created the Ministry for Regional Development and Construction (MRDC) in 2009 to address challenges in the delivery of local public services. A National Coordination Council for Regional Development (NCCRD), three Regional Development Councils (RDCs) and three Regional Development Agencies (RDAs) were also created under these auspices. The NCCRD was created to provide inter-ministerial coordination and to verify the alignment of regional planning with the national development priorities. The RDCs are comprised of representatives of Local Public Administrations (LPAs), civil society and the private sector and have a mandate to approve and monitor Regional Development Strategies. The RDAs in turn are the executive bodies at the regional level. They are responsible for developing regional sector plans, which reflect the socio-economic development priorities of local public authorities (LPAs). They are also responsible for facilitating sector investments and promoting inter-municipal cooperation (IMC).

The Modernization of Local Public Services (MLPS) project and the Fund for Regional Development have supported the Government of Moldova in this process with the following objective: "Local services in selected rural areas have improved in the four priority areas: waste management, water supply and sanitation, energy efficiency of public buildings, and regional roads". The expected outcomes for this objective included (A) LPAs effectively cooperate and manage improvements of local public services, (B) Regional and LPA effectively plan strategic investments in the four priority sectors, and (C) The MRDC and RDAs effectively manage the BMZ-Fund for Regional Development. The BMZ Fund for Regional Development is hereby inherently linked to the operational approach of the Project and complements the technical assistance provided with in participatory processes prioritized investment measures in selected priority sectors.

The strategic approach of the Project has been to support multi-level institutional capacity development at three levels of Moldovan public administration: Local, regional and national. It has combined bottom-up initiatives and top-down interventions to enable RDAs to perform their role as the principal public institutions for the planning, procurement and management of investments for improved local public service delivery. It has included strengthening their ability to harmonize local planning instruments within regional plans in coordination with sector ministries at national levels. Developing capacity at various institutional levels has been grounded in the practical realities surrounding the delivery of eight pilot investment projects involving local communities. Each investment project has been accompanied by support for participatory planning, community awareness raising, IMC, public procurement and building the management capacity of local service providers. The LPAs, as owners of the pilot investment projects, have been assisted through the RDA structures. Engaged citizens participate in Local Steering Committees to verify progress from the perspective of clients of the public services.

The scope of the Project increased significantly in 2012. Co-funding from Romania, Sweden, Switzerland and the EU to the Project and the introduction of the BMZ Regional Development Fund enabled a broader range of technical assistance at various institutional levels and funding for additional investments in local public service delivery. The original project design focussed on improving local public service delivery in three priority sectors including WSS, SWM and EE. A fourth priority sector, RLR, was added together with additional co-funding by the EU in 2013. Despite a broad RDA mandate for supporting the socio-economic development of the regions – implying other policy areas such as health, education and local economic development – the Project has concentrated efforts in the four sectors mentioned above. The exclusion of other sectors is justified by the existence of other government and donor initiatives in those sectors.

The Project has employed a range of instruments within a rational approach to capacity development. The use of these instruments is transparent and consistent with the underlying results model. National long-term advisors provide direct capacity development to partner institutions. International long-term advisors assist coordination between institutions. Sub-contracted consultants develop technical capacity for regional planning, and the procurement and operation of local public services infrastructure. Capacity development is delivered in conjunction with the BMZ Regional Development Fund which is exclusively earmarked for jointly identified investment projects and institutional assistance to the RDAs. Fund expenditures are verified by the Project and external financial audits conducted on a regular basis.

The results model for the Project is based on a consistent logic. The underlying hypothesis is that increased access to improved local public services can be achieved through strengthening the capacities of LPAs, RDAs as well as the MRDC. On the one hand, it is assumed that improving the capacities of MRDC, RDAs and LPAs in integrated planning and programming in the priority sectors will support the institutional framework conditions for transparent, participatory and integrated regional development, hereby contributing to the module objective. On the other hand, the results model rests on the assumption that improved capacities of LPAs and RDAs in the process of managing and implementing concrete measures for improved local service delivery will directly contribute to an increase in access to local public services. The

results model continues to reflect the current implementation status of the Project. The Project has adopted appropriate measures to incorporate cross-cutting issues within the project design and applied the policy marker system on a consistent basis. The module level indicators were not defined when the project was initiated in 2010. Instead, three expected outcomes from the Project have been identified, which form the basis for this evaluation. The logic of the expected outcomes is consistent with the module objective. The indicators defined at the outcome level are also sufficiently compliant with SMART criteria and suitable for assessing the Project's effectiveness. They recognize the fundamental importance of strengthening partner systems as essential for sustainable improvements in local public service delivery. The indicators defined for each expected outcome also follow a consistent emphasis on capacity building and provide a useful framework for describing the Project's key intervention areas. The Project's impact is assessed against the extent to which it has contributed to achieve overarching goals as enshrined in the national policies, in particular poverty reduction and ensuring good governance. The poverty reduction dimension is assessed by evaluating the extent to which the Project has improved access of citizens, in particular in rural areas, to public services in the priority sectors. The good governance dimension has been looked at through the extent to which the regional development architecture was improved in terms of coordination, transparency and effectiveness.

The appraisal team reviewed relevant project documentation such as the original project offer, quarterly and annual reports, annual operational plans, mid-term review, various baseline studies and other planning documents to conduct the assessment. Moreover, data derived from the Project's comprehensive results-based monitoring (RBM) and management system contributed to the evaluation. This information was triangulated through a series of semi-structured interviews focussed on OECD-DAC evaluation criteria with key stakeholders including civil society representatives, co-financing and implementation partners as well as other development agencies.

Overall rating according to OECD-DAC criteria

Basis for assessment of the OECD-DAC criteria:	Individual and overall rating of the OECD-DAC criteria:
<p>The TC measure's overall rating equals the average of the individual ratings of the five OECD-DAC criteria:</p> <p>14 – 16 points: very successful 12 – 13 points: successful 10 – 11 points: rather successful 8 – 9 points: rather unsatisfactory 6 – 7 points: unsatisfactory 4 – 5 points: very unsatisfactory</p>	<p>Overall, the TC measure is rated successful with a total of 12.8 out of 16 points.</p> <p>Relevance: 14 points – very successful Effectiveness: 13 points - successful Impact: 12 points - successful Efficiency: 13 points - successful Sustainability: 12 points - successful</p>

Relevance (Are we doing the right thing?)

The urban-rural divide is a key development challenge for Moldova. Over 80% of Moldova's poor reside in rural areas often lacking access to basic public services. The Project was strategically designed to respond to this challenge by increasing the access of poor rural citizens to quality local public services in the priority sectors and selected localities. The Project's methodological and operational approach systematically addressed bottlenecks in the regional development process and strengthened the capacities of key actors in the provision of local public services in rural areas on the local, regional and national level.

The Project was designed as a follow on measure to previous EU, Swedish International Development Cooperation Agency (Sida) and Department for International Development (DFID) assistance to the Government of Moldova for establishing a legal and institutional framework for regional development. Regional Development is enshrined in the action plan of the Moldovan Government for the implementation of the EU-Association Agreement. Although Moldova has achieved considerable progress in a short period, there is still no fully comprehensive framework for Regional Development and the Project navigates through a complex political and administrative environment. Harmonisation and alignment with relevant national strategies is ensured through participation in various regular steering group meetings, sector working groups, and other coordination forums. The Project has also maintained close cooperation with other relevant national and international organisations including the Congress of Local Authorities (CALM), UN Women, UNDP Joint Integrated Local Development Project, and the USAID Local Government Support Program (LGSP). These forums have been used to promote lessons learnt and best practices.

The Project design has addressed local framework conditions through two main intervention areas. The first area encompasses support to LPAs and RDAs for the implementation of pilot investment projects. The second area includes advisory support for regional sector planning. In 2014, after a mid-term review, a Policy Advisory Unit was established to help identify core strategic issues, document good practices and lessons learned, and contribute to national policy dialogue. The Project has also been designed to operate in conjunction with the BMZ Fund for Regional Development. This

combination of technical and financial instruments represents an appropriate and comprehensive approach to overcoming the multi-faceted challenges of regional development.

In alignment with BMZ Concept 172, “Fostering Good Governance in the German Development Cooperation/Policy”, the design of the Project reflects local realities. It promotes local ownership, improvement of political dialogue, and coordination with civil society actors. Ownership is strengthened by working through partner institutions at local, regional and national levels. Political dialogue is promoted through inter-municipal agreements. Civil society actors have been engaged with positive results during pilot project implementation. The Project design has also supported crosscutting issues of gender equality and environmental sustainability. Gender disaggregated data was collected for pilot investment projects and for capacity building initiatives supported by the Project. The participation of women in planning and awareness raising was also promoted. Based on this experience, the Project produced a methodology for mainstreaming gender and social assessment in pilot investment projects. Despite these positive aspects, there appears to have been limited participation of women in the development of Regional Sector Work Plans.

The relevance of the TC measure is rated **very successful** with **14 points**.

Effectiveness (Will we achieve the project’s objective?)

Outcome A – The Project has met or exceeded the targets set for all three indicators under Outcome A. Eight pilot measures are currently under implementation with different stages of completion. An objective assessment of the effectiveness of local public authorities’ ability to effectively manage the improved services would be somewhat premature. Nonetheless, the progress made in signing inter-municipal cooperation agreements is encouraging. Promotion of inter-municipal cooperation in the SWM and WSS can be fraught with challenges. The Project has managed to overcome a cumbersome regulatory framework and the reluctance of some local public authorities to approve and create regional service providers. Independent baseline studies were conducted in relation to the eight pilot measures. Local Project Steering Groups and/or Local Citizen Committees were also established in each case. The mandate of these local stakeholder groups has been to ensure that the pilot measures are implemented in accordance with local needs and agreed standards. In future, when pilot measures reach operational phases, particularly in the WSS and SWM sectors, it would be useful to measure levels of citizen satisfaction on a periodic basis to encourage the performance of service providers.

The evaluation team comes to the conclusion that all indicators related to Outcome A are **fully achieved** by the end of the Project.

Objectives indicator	Target value accord. to the offer	Current status according to the project evaluation
Outcome A – Local public authorities effectively cooperate and manage improvements of local public Services		
<i>Indicator 1</i> – 25 planned pilot measures for the improvement of local public services are being implemented in the four project priority sectors	25 pilot measures	25 pilot measures have been completed and another 10 measures are under implementation.
<i>Indicator 2</i> – LPAs signed 70 formal agreements for the joint delivery of local public services in the four priority sectors.	70 formal agreements	81 LPAs have signed initial inter-municipal cooperation agreements for common delivery of the public services. In addition, 36 LPAs have signed delegated agreements for joint SWM services as well as 4 LPA for WSS services.
<i>Indicator 3</i> – In 35 communities, 50% of implemented measures in the four project priority sectors have improved access of women to local public services.	50% of implemented measures in 35 communities	100% of 26 implemented measures inherently contribute to improved access of women to local public services in 40 communities. This includes a higher number of women having access to SWM services in 35 communities; a higher number of connection rates to WSS services in 3 communities; and improved access to 1 site with enhanced EE.

Outcome B – The Project has met the targets established for key indicators relating to Outcome B. From 2012, by supporting the RDA, the Project helped create Regional Sector Working Groups which led to development of Regional Sector Work Plans. These significant achievements were designed to complement the bottom-up planning initiatives being pursued at local levels under the Outcome A. By combining spatial and sector planning instruments, the project helped initiate important vertical and horizontal bridges from LPAs to the RDAs and between national ministries.

Objectives indicator	Target value accord. to the offer	Current status according to the project evaluation
Outcome B – Regional and LPA effectively plan strategic investments in the four priority sectors.		
<i>Indicator 1</i> – The three RDAs have facilitated the development of relevant project concepts in the priority sectors with a total value of €170 Mio.	Project concepts with a total value of €170 Mio	The three RDAs have facilitated the development of relevant project concepts in the priority sectors amounting to €197.5 Mio. 40 of them amounted at 102.9 million EUR have been approved by the inter-ministerial commissions to be further developed to the viable project concept stage
<i>Indicator 2</i> – 70% of stakeholders from 30 LPAs involved into Local Planning and Programming express their satisfaction with the facilitation capacities of RDAs.	70% of stakeholders from 30 LPAs	Based on an independent survey, 66% stakeholders from 33 LPAs involved in Regional Sector Planning and Programming expressed their satisfaction with the facilitation capacities of RDAs.
<i>Indicator 3</i> – 75% of project concepts facilitated by RDAs are scrutinised in terms of environmental impact considering national regulations	75% of project concepts	Environmental Impact Assessments (EIA) in solid waste management and equivalent studies in water supply and sanitation as well as in energy efficiency have been carried out for 21 out of 27 advanced project concepts (78% of all advanced project concepts). In the remaining cases the concepts had not reached the necessary level of development, and the respective EIA are planned to be conducted at a later stage of the Project.

Perhaps equally important, the Project has helped to introduce the concept of public investment project pipelines within regional development processes in Moldova. This concept has been accompanied by new and more transparent methods for identifying and prioritizing investments in local public infrastructure. For example, the approach taken in the EE sector has led to important discussions about how investments are financed through other national funds. Various international donors and development have expressed very concrete plans to finance investment projects out of the project pipeline.

While significant progress has been achieved toward strengthening the capacity of the RDAs, important issues have been identified in relation to the RDCs. The RDCs are meant to perform controlling and decision making functions within the regional development framework while the RDAs are meant to implement decisions taken by the RDCs. However, in practice and due to weak capacities, it has emerged that RDCs are largely unable to fulfil their mandate and remain dependent on the RDAs. This imbalance should be addressed by the Project to ensure appropriate oversight and accountability of the RDAs.

Carefully weighting the extent to which the targets of indicator 1 and 3 have been exceeded vis-à-vis the relatively small shortfall of indicator 2, the evaluation team comes to the conclusion that indicators related to **Outcome B are fully achieved** by the end of the Project.

Outcome C – The Project has met the targets for two of the three indicators relating to Outcome C. Public procurement procedures have been followed and an RBM system is currently in place. However, the significant shortfall in disbursements from the BMZ Fund for Regional Development (Indicator 1) is a cause for concern. The shortfall can be mostly attributed two large investment projects, which did not proceed as initially planned. Both investments did not meet important technical requirements in the respective sectors. Many Moldovan companies face serious capacity constraints to prepare adequate and complete bidding documents in response to official public procurement processes. The Project has addressed these weaknesses via complementary private sector support in cooperation with the Moldovan Chamber of Industry and Commerce. Nevertheless, several public tenders had to be cancelled and relaunched by the RDAs, which led to substantial delays in the application of the BMZ Fund for Regional Development. Strong due diligence procedures have been necessary to assure that investments conform to relevant regulations of the EU and Moldova. There are no cases of documented negative results. The Project has, since the outset, emphasised the importance of developing capacity within partner institutions. There is ample of evidence that it has also actively promoted participatory approaches to assure greater transparency and accountability in the delivery of local public services.

The evaluation team comes to the conclusion that the indicators related to **Outcome C are partly achieved** by the end of the Project.

Objectives indicator	Target value accord. to the offer	Current status according to the evaluation
Outcome C – The MRDC and RDAs effectively manage the BMZ-Fund for Regional Development.		
<i>Indicator 1</i> – MRDC and the 3 RDAs used 90% of financial resources of BMZ Fund for infrastructure measures in the three priority sectors.	90% of financial resources of BMZ Fund	The MRDC and 3 RDAs have used 14% of the financial resources of the BMZ Fund for completed infrastructure measures. An additional 35% of the available funds have been contracted by RDAs to companies and are currently in the process of implementation. The remaining funds (51%) remain deposited until the pending procurement processes have been successfully launched.
<i>Indicator 2</i> – The 3 RDAs conduct the public procurement processes for all infrastructure investment projects financed through the Fund for Regional Development according to the relevant regulations.	3 RDAs	Public Procurement processes in all 3 RDAs were conducted following the Moldovan law on procurement with additional criteria and regulations developed by the GIZ advisors and coordinated with the German Embassy, other donors, MRDC and the RDAs. This helped to make the process more transparent and guaranteed equal opportunities to bidders. However, it also hindered the procurement process and caused delays.
<i>Indicator 3</i> – The 3 RDAs have installed a RBM system for monitoring all infrastructure investment projects financed through the Fund for Regional Development.	3 RDAs	The 3 RDAs have installed an RBM system for monitoring of all pilot projects, including infrastructure investment projects financed through the Fund for Regional Development. This has included use of MoUs, Logical Frameworks, Risk Logs, Project Implementation Plans, and regular project steering processes.

The overall effectiveness of the TC measure is rated **successful** with **13 points**.

Overarching development results (impact) (Are we contributing to the achievement of overarching development results?)

The module objective of increasing access to improved local public services in selected rural areas is being achieved to the extent possible at this stage. Against this background, the Project has contributed to several overarching goals. It has contributed to poverty reduction in rural areas by improving the access to and quality of local public services. Advances have been most obvious in the WSS, SWM and EE sectors in the context of concrete investment projects and complementary capacity development measures. Representative surveys conducted in 2011 and 2015 provide ample evidence to support to this conclusion. For example, citizens' satisfaction with the quality of Water and Sanitation services in Duruitoarea Veche (Riscani Rayon) increased by 93 percentage points from 2011 to 2015. It can be plausibly assumed that the increased satisfaction is directly correlated with the increased number of permanent connections to quality water sources. This in turn contributes to improvement of health conditions and general welfare in the respective areas. Moreover, the survey shows that socio-economically disadvantaged households benefited disproportionately more from new water connections than other households.

Similarly, the Project has contributed to improving good governance in the regional development area by fostering inter-ministerial coordination, improving the capacities of institutions working in regional development and improving the capacities of LPAs in inter-municipal cooperation and public investment projects. The introduction of the concept of regional sector pipelines and the overall regional planning and programming process has helped to promote horizontal as well as multi-level cooperation in decision making on public investments. Moreover, the Project has helped the Government of Moldova move closer to EU standards for service provision in important sectors.

These achievements have been accompanied by initiatives to increase the voice of local citizens in rural areas. The Project has contributed to changes in the relationship between citizens and their government. It has promoted participatory planning processes and it has enabled local citizens to engage in the monitoring of investments through local steering committees and local citizen committees. It has also helped local communities to a certain extent to overcome political differences around local service provision (e.g. with regard to inter-municipal cooperation, prioritization of project pipeline) and strengthened the capacity of regional institutions to influence the sector plans and strategies. The Project's leading role and key contributions for developing consistent policies, approaches and promoting donor coordination in the relevant sectors has also been acknowledged by both co-financing partners of the Project such as Sweden, Switzerland, Romania and the EU as well as by the wider donor community.

The impact of the TC measure is rated **successful** with **12 points**.

Efficiency (Are the objectives being achieved cost-effectively?)

Technical assistance provided by the Project has increased the efficiency of investments in local public services. First, it has helped assure adherence to appropriate standards while observing transparent procurement procedures. Second, technical assistance has been directed toward building the capacity of local service providers for long-term efficient operations, decreasing long run capital costs, increasing revenues and improving the overall efficiency of local public service providers. Moreover, the Project has actively promoted IMC as an important strategy to increase the overall efficiency of investments in local public services. Increasing the catchment areas for WSS and SWM services is essential for driving down unit costs to affordable levels in rural areas.

The introduction of the public investment pipeline approach supported by the Project has entailed a new mode for infrastructure planning and financing in Moldova. It has eschewed: (i) relatively untargeted calls for project proposals; (ii) purely sector approaches, undertaken by line ministries, which fail to translate relatively general national priorities into projects on the ground; and (iii) a master planning approach which many countries are not yet able to put into place in key sectors. It is expected that the public investment pipeline approach will offer greater predictability - for government and donors – and enable significantly higher levels of sector investments. Further evidence supporting the claim of efficiency of the approach can be drawn from the co-financing commitments of various development assistance partners.

The Project has also provided significant technical assistance to the RDAs for the development of Regional Sector Programmes (RSPs). These plans were developed in the framework of the Regional Sector Working Groups based on consultations with local communities, Rayon administrations and line ministries. As such, the plans also represent bona fide commitments from the government of Moldova which can be quickly and readily supported by donor partners. Despite an initial delay of the process, an independent review has confirmed the basic efficiency of the regional sector planning process.¹

Overall, approximately 40% of the technical assistance provided by the Project was procured through competitive international tendering processes. Standard procedures to evaluate price and quality were used to promote efficiency. The project has also employed an appropriate mix of long and short term national and international advisors with the core team consisted predominantly of national experts. This has been cost effective and helped ensure that approaches to technical assistance have been well grounded within the Moldovan context. The use of international experts has been justified because of the need for Moldovan institutions to adopt European standards. Additionally, the Project has enjoyed the trust and confidence of senior political decision makers in various levels of government. This has helped break down bureaucratic hurdles and contributed to the overall efficiency of the project.

Delays in disbursements from the BMZ financed Regional Development Fund reduced the efficiency of the Project. The delays were primarily due to the fact that investment projects submitted by the regions lacked coherent planning, design and budget documents. Some proposed investment projects had to be redesigned or substituted by alternative proposals. Moreover, several public procurement processes had to be cancelled and relaunched due to the insufficient number and poor quality of bids by participating companies.

The Project has played a major role in coordinating donor assistance by developing a shared understanding among donors regarding the challenges confronting regional development in Moldova as well as by successfully promoting a joint strategic approach to respond to these challenges. Evidence for this claim, and the underlying efficiency of the Project's approach in donor coordination, can be drawn from the volume of co-financing commitments of the Governments of Sweden, Switzerland, Romania and the EU throughout the last 5 years. These partners, as well as USAID and UNDP have all acknowledged the Project's leading role and key contributions for developing consistent policies, approaches and promoting donor coordination.

The efficiency of the TC measure is rated **successful** with **13 points**.

Sustainability (Are the positive results durable?)

Sustainability refers to the question of whether citizens in rural areas will continue to have increased access to improved local public services and the extent to which government will remain capable of planning and managing investments after the Project ends. The results achieved are likely to be sustainable. The common view amongst donor partners is that the Project has made significant contributions toward developing capacity of the various government institutions engaged in local public service delivery. It is also the prevailing opinion that the knowledge transferred, expertise gained, and many of the new procedures introduced will be sustainable. The learning obtained from pilot measures has helped create more durable implementation structures. Based on successful pilot experience, deeper engagement of local civil society organisations in key regional development processes would also help assure greater transparency in planning, procurement and on-going service delivery.

¹ This extensive independent review was conducted by the Moldovan CSO, Civis, in March 2015.

The MRDC has consistently demonstrated ownership of the Project's results despite numerous political changes. This could be expected to some degree because of the central role the Project has played in strengthening the capacity of the RDAs and local public authorities in selected areas. While continued support for regional planning processes remains central to MRDC interests, the view from other sector ministries is likely to be more mixed. There is competition between ministries for scarce government resources and, at times, political differences between various coalition government partners.

Public and private investment has declined as a reaction to the recent banking scandal. A continuous decline in funding available for investments for local public services could have several implications. First, local stakeholders may become less motivated to participate in future planning processes. Second, the positive momentum within MRDC and across various ministries through the program approach could be lost. Finally, particularly if there are significant delays in funding, some portion of planning data and documents may become out-dated.

The sustainability of the TC measure is rated **successful** with **12 points**.

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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