



7th Progress Report

of GIZ Projects

“Modernization of Local Public Services
in the Republic of Moldova”

and “Capacity Development for Regional and Cross-Border
Cooperation in the Republic of Moldova”

Reporting period: October 1, 2012 - December 31, 2012



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EXECUTIVE SUMMARY

The reporting period October – December 2012 was characterized by very close cooperation between the GIZ project MLPS and MRDC and the three RDAs in the efficient use of the additional investment funds of 3.6 million Euros. This amount was granted by the German Ministry of Economic Cooperation and Development BMZ to additionally contribute to the five ongoing pilot projects.

Also there were intensive consultations with the GoM, MRDC and line ministries on the use of the additional funds of 5.3 million Euros granted by BMZ for infrastructure investments in regional development in the key three sectors: Energy Efficiency of Public Buildings, Solid Waste Management and Water Supply and Sanitation.

The consultations and intensive analytical works led to the signing of a new Financing Agreement between GIZ Germany, MRDC and the three RDAs, thereby allowing the funds to be transferred to Moldova within the fiscal year 2012.

It is important to stress that the work on the preparation of various studies and technical documents is ongoing within the first quarter of 2013, as no proposed project is currently ready for procurement according to the standards of the construction department of GIZ Germany.

Complementary to these processes many other interventions of the GIZ project MLPS in the area of local public service improvements and regional planning and programming were conducted in the reporting period.

Within the framework of regional planning and programming the GIZ project MLPS

provided assistance to the RDAs on development of the three Regional Operational Plans ROPs for 2013-2015 and revision of the Regional Development Strategies RDS for 2010-2016.

MLPS facilitated the organization of the ordinary sessions of the Regional Development Councils on the final discussions of the ROPs and RDSs.

The work on the Regional Sector Plans started simultaneously with the work on the project pipeline to be financed from the new German investment fund.

During the reporting period thematic Working Groups in Solid Waste Management SWM, Energy Efficiency EE and Water Supply and Sanitation WSS were established by the respective RDAs in the three development regions North, Center and South (one Working Group in EE sector still needs to be set up in the Center Region). The internal workshops on integrated regional planning and programming and the first sector planning workshops were conducted. They will be continued regularly during the first two quarters of 2013.

Within the framework of capacity development activities, the representatives of Moldova regional development institutions and NGOs participated at a training program dedicated to regionalization of local public services in Germany. The following subjects were covered during the one-week study visit: strategic planning, structures for inter-municipal cooperation, project management and monitoring and evaluation. According to the participants, the training provided a very effective platform for the exchange of

experiences in the field of regionalization of local public services.

The pilot project “Water Supply and Sewage Services in the Village of Duruitoarea Veche, Commune of Costesti, Riscani Rayon” aims at improving water and sanitation services in Duruitoarea Veche village of Costesti Commune in Riscani Rayon. The pilot project is a part of a wider idea developed in the process of updating a chapter on water and sewage services of Riscani Rayon Socio-Economic Development Strategies SEDS. The updated SEDS foresees the development of a centralized water and sewage network in the Prut Cluster. This idea is a subject of a feasibility study which started in November 2012 and is planned to be finalized in July 2013. The pilot project benefited from additional funds which were used for improving the office of Apa Canal Costesti.

The pilot project “Water Supply Services in Rosu village, Cahul Rayon” aims to supply drinking water to 3,700 inhabitants of Rosu village. In the reporting period, the infrastructure for water supply was finalized and the official inauguration of the water supply system took place on November 8th, 2012 - the official day of Rosu - with the participation of the State Secretary of the Ministry of Foreign Affairs of Romania. The connection water pipe between the City of Cahul and the village of Rosu is part of a wider approach to Inter-Municipal Cooperation and regionalization of water and sewage services. This approach was developed in a process of updating the chapters on water and sanitation services of Cahul Rayon SEDS. The strategy, which was approved in mid-2012, foresees that the currently fragmented water supply will be regionalized based on use of one water source.

In December 2012, the process of preparing the feasibility study for water supply and sewerage in Cahul Rayon was initiated, based on the Action Plan of the updated SEDS of the Rayon Administration Cahul with support of the MLPS and the RDA South.

The pilot project benefited from additional funds and used them for improving operational needs of the service provider, the Apa Canal Cahul.

Following the public tender procedures the operational needs will be fully implemented in the first quarter of 2013.

The pilot project “Expanding Integrated Waste Management towards Rural Areas Located in the Ciorna River Basin” aims at decreasing the environmental pollution by expanding the integrated management of waste collection and storage for Soldanesti city to villages located in the basin of the Ciorna River, as well as other villages from Soldanesti, Rezina and Floresti Rayons. The pilot project benefits significantly from additional funds, which are partly used for the constructing of 474 platforms in all of the three above mentioned Rayons. The necessary equipment for the logistical part, including garbage trucks, containers and compost facilities was procured by the RDA Center. Currently in Floresti Rayon 150 platforms have been finished, from a total number of 215 planned platforms; in Soldanesti and Rezina 138 platforms have been constructed from a total number of 259 planned platforms. Because of winter weather the construction works on the platforms and the rehabilitation of the office facilities were temporarily stopped and will be continued in the first quarter of 2013.

Within the framework of local integrated planning and programming the Team of the Foreign Country Assignment of the Seminar

Ländliche Entwicklung (SLE) of the Humboldt University Berlin was subcontracted in 2012 to contribute to the development of the updated SWM chapters of the SEDSs for Soldanesti, Rezina and Floresti Rayons.

All activities on updating the chapters on SWM of the three Rayon SEDSs were prepared and conducted jointly with the Congress of Local Authorities of Moldova CALM and the RDAs Center and North. At the same time continued assistance was provided to local partners in designing the necessary SWM infrastructure and in identifying the most appropriate institutional set up. The assistance will be continued in the form of a comprehensive feasibility study during the first half of 2013.

MLPS supported the organization of MOLDENERGY which conducted the largest contest for awarding the successful initiatives in the Moldova Sector of Renewables and Energy Efficiency. The contest took place on December 6 2012.

The following awards were offered by MLPS to winners in different categories: partial financing of a European Energy Management course EUREM, study visits, an Energy Audit, and optimization for public infrastructure to improve EE.

The MLSP supported pilot project “Energy Efficiency Improvement of Orhei City Hospital” received the title “Best Energy Efficiency Project in the Public Sector” in this contest.

The pilot project aims at increasing EE of the district hospital in Orhei through a set of improvement measures and capacity development interventions.

Additional funds are being used for extended investments in increasing EE of the hospital

buildings, including the installation of a smart energy monitoring system.

The pilot project “Energy Efficient Street Illumination System in Tatarauca Veche Community” aimed to substitute the obsolete and dysfunctional street illumination system on the main streets and public institution buildings in each of the six villages in Tatarauca Veche Commune.

During the reporting period the construction and installation works were finished and handed over to the LPA of Tatarauca Veche.

In October 2012 the State Energy Inspectorate issued the documents on the admission for the electrical installations. According to these documents, SA “RED Nod Vest” signed the contract on electricity supply for the street illumination with the Mayor of Tatarauca Veche. About 2,200 people benefit from the installed energy efficient street illumination in Tatarauca Veche. The experience of the pilot project will be used in elaborating a guide on building street illumination systems in villages in Moldova in the first half of 2013.

The topic of transparent and sustainable management of public assets is one of the key issues for developing conducive conditions for effective and efficient local public service delivery. Taking into account the needs for capacity development of the local and regional actors, MLPS supported MRDC in hiring a group of experts to develop instructions on establishing property rights over the assets financed from the National Fund for Regional Development NFRD and other public sources, including German and Romanian funds. The assistance will be continued in 2013.

MLPS activities on public procurement refer to monitoring activities to fulfill the various

Financing Agreements and, at the same time, provide assistance and capacity development to contracting agencies and their working groups.

In the reporting period MLPS assisted the partners in performing public procurement processes to efficiently use additional funds of approximately 3.6 million Euros via the three RDAs.

In the context of these additionally provided investment funds, MLSP supported the improvement of communication capacities of MRDC and the RDAs by developing a coherent and adequate video conference system. The preparatory works were carried out in the reporting period and the implementation will be conducted in the first quarter of 2013.

At the same time, MLSP supported the RDAs adherence to the national initiative to interconnect public institutions through the Management Information System SIGEDIA which is managed by the Electronic Governance Center.

Gender mainstreaming is stated as a priority in the National Decentralisation Strategy and MLPS recognizes the broad scope of integrating a gender equality dimension into the planning, implementation and monitoring of its key interventions and investments.

MLPS is currently in the process of updating its gender equality policy and developing a more systematic approach to gender mainstreaming. In the reporting period the process started with a mission of an international short-term expert who assisted the MLPS staff in assessing the status quo and improvement needs to achieve these objectives.

The process will be continued in 2013 and integrated to the maximum extent in the cooperation with local and regional partners.

Against the background of its expansion, MLPS is currently in the process of updating the existing monitoring and evaluation (M&E) system in order to coherently integrate the monitoring of Regional Planning and Programming.

In addition to this integration it was decided to upgrade the existing M&E system in terms of methodology and adapt it to the new standards of the GIZ Results-Based Monitoring systems for both Intervention Areas of MLPS. The work of upgrading the M&E system started in the reporting period while the GIZ approach on the Result-Based Monitoring was presented to MRDC and RDAs at a workshop organized in December 2012.

The project "Capacity Development for Regional and Cross-Border Cooperation in the Republic of Moldova" is primarily oriented towards improving the capacities and competencies of local and regional public authorities, as well as the Branch Office CBC Chisinau and the Ministry of Regional Development and Construction. In the reporting period progress was achieved in several programmatic areas. One of them is the piloting of a training program on local and regional planning and programming by the Academy of Public Administration. Starting from February 2013 the training program will be delivered to representatives of Local Public Authorities in Moldova as part of the Academy's curriculum.

In the reporting period a guide on the implementation of the shared management principle was elaborated, reflecting the roles and responsibilities of the various institutions from Moldova in the context of EU

Programme management proposed to be applied for the next Cross-Border Programmes in the framework of the European

Neighbourhood Policy Instrument. This guide will be presented in the first quarter of 2013 to all involved national institutions.

ABBREVIATIONS AND ACRONYMS

AEE	Agency for Energy Efficiency
ALRC	Agency of Land Relations and Cadastre
APA	Academy of Public Administration
BMZ	German Ministry of Economic Cooperation and Development
BO	Branch Office
BSB	Black Sea Basin
CALM	Congress of Local Authorities of Moldova
CBC	Cross-Border Cooperation
CDA	Czech Development Agency
CN	Concept Note
CPP	Call for Project Proposals
EC	European Commission
EE/RES	Energy Efficiency and use of Renewable Energy Sources
ENPI	The European Neighbourhood Partnership Instrument
ENI	The European Neighbourhood Instrument
EU	European Union
EUREM	European Energy Manager Training Course
EUSDR	European Union Strategy for the Danube Region
GIZ	German Development Cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit
GoM	Government of Moldova
GOPA	Gesellschaft für Organization, Planung und Ausbildung (Consulting Group)
IMC	Inter-Municipal Cooperation
JILD	Joint Integrated Local Development Programme
JMA	Joint Managing Authority
JMC	Joint Monitoring Committee
JOP	Joint Operational Programme
JTS	Joint Technical Secretariat
LGSP	Local Government Support Project in Moldova
LPA	Local Public Administration
ME	Municipal Enterprise
M&E	Monitoring and Evaluation
MFAR	Ministry of Foreign Affairs of Romania
MLPS	Modernization of Local Public Services
MoEco	Ministry of Economy
MoEnv	Ministry of Environment
MoF	Ministry of Finance

MoH	Ministry of Health
MoU	Memorandum of Understanding
MRDC	Ministry of Regional Development and Construction
NALAS	Network of Associations of Local Authorities
NCCRD	National Coordination Council for Regional Development
NFRD	National Fund for Regional Development
NSRD	National Strategy for Regional Development
OA	Committee on Eastern European Economic Relations
OECD	Organization for Economic Co-operation and Development
PP	Project Proposal
PPM	Public Propriety Management
RBM	Results-Based Monitoring
RCBI	Regional Capacity Building Initiative
RD	Regional Development
RDA	Regional Development Agency
RDC	Regional Development Council
RDS	Regional Development Strategy
ROP	Regional Operational Plan
RPP	Regional Planning and Programming
SDC	Swiss Agency for Development and Cooperation
SEDS	Socio Economic Development Strategy
SEE	South-East Europe
Sida	Swedish International Development Cooperation Agency
SLE	Center for Advanced Training in Rural Development, Humboldt University, Berlin
SPD	Single Programming Document
SWM	Solid Waste Management
TA	Technical Assistance
TF	Task Force
TNC	Trans-National Cooperation
ToR	Terms of Reference
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
WG	Working Group
WSS	Water Supply and Sanitation

INTRODUCTION

Regional development constitutes a key governance principle for the GoM, enshrined in the NSRD and the National Decentralization Strategy. Also, there will most likely be an express provision in the future Association Agreement with the EU, as is the case in all previously signed agreements.

Since 2010, GIZ supports various Local Public Administrations in extending and modernizing service provision in water and sanitation, solid waste management and energy efficiency of public buildings. These areas are crucial for the socio-economic development of Moldova's regions and represent a large majority of the project proposals submitted by Local Public Administrations to the NFRD, both in 2010 and 2012.

The Ministries of Environment (MoEnv) and Ministry of Economy (MoEco) have both agreed with MRDC to implement their corresponding sector strategies by harmonizing them with local priorities and realities with the help of aligned Regional Operation Plans (ROP). Both Ministries are responsible for policy areas benefitting substantial EU Sector Policy Support Programs, but face serious challenges in using the available funds in results-oriented activities and investments in the regions. The State Chancellery, as well as the Congress of Local Authorities of Moldova (CALM) will be increasingly involved in the discussions about strengthening the local self-government in order to ensure that the LPAs' interests and perspectives are represented within this context.

This approach of aligning sector funds and policy objectives with local plans has not been used before in Moldova, and no other development partners are providing

assistance in this specific field. There are various initiatives in the areas of regional development, decentralization, as well as in the specific thematic areas, supported by a number of bi- and multilateral development partners who provide a multitude of synergy options.

In this regard, MLPS aims to improve the conditions for local public service delivery in the Republic of Moldova assisting the regional and local actors in linking local needs with regional and national priorities through integrated planning and programming, improving service infrastructure through specific investment measures, improving cooperation on service delivery through Inter-Municipal Cooperation (IMC), capacity development of service providers through developing their managerial, financial, and technical capacities for delivery of quality services, mobilizing clients / citizens for improving Local Public Services.

The projects target beneficiaries are selected communities in different Rayons from the North, Center and South development regions of the Republic of Moldova, the Regional Development Agencies (RDAs) and Regional Development Councils (RDCs). All current and future investments in local infrastructure are selected together with the project's key partners, and implemented by the RDAs. This increases the RDAs and the RDCs capacities of drafting, assessing and monitoring coherent Regional Operation Plans (ROPs) based on realistic investment projects.

MLPS was commissioned by BMZ in 2009, based on the results of the government negotiations between Moldova and Germany in the same year. The current project phase

(01/2010 – 12/2014) funding by BMZ is 3 million Euros with additional funds from BMZ of 3.6 million Euros (complementary funds for the pilot projects and support for the partners) plus 5.3 million Euros (investments in regional development), the Romanian Government with 0.7 million Euros and by the Swedish Government with 30 million SEK.

The form of assistance for the project consists of providing international and national short-term and long-term experts, specific technical assistance, continuous professional training programs, as well as financial contributions for pilot measures to improve rural infrastructure development.

In this context, progress can be measured according to the following criteria:

- 1 Increased coherence in planning and budgeting (LPA, RDA, RDC, line ministries);
- 2 Improved inter-municipal cooperation;
- 3 Increased efficiency and effectiveness in project implementation;
- 4 Increased capacity for quality control and M&E of local public services by LPAs;
- 5 Improved management of local public services by service providers;
- 6 Higher customer satisfaction.

PARTNERSHIPS

In the reporting period, the project has built up or extended partnerships with national government

institutions, and development partners in Moldova.

Partnership with national government institutions

- Ministry of Regional Development and Construction (MRDC) and RDAs

Developing the capacities of MRDC, RDCs and RDAs is a priority for MLPS project, enforced by organizing study visits and trainings for the key-staff.

"This event underlined the role of the regional development institutions in creating and promoting regional brands, both at national and international levels. At the same time, we realized the necessity to follow the relevant regulatory framework related to registration, protection and promotion of regional products."

(Igor Malai, Deputy Chief, General Division Regional Development, MRDC)

Two public servants of MRDC attended the regional workshop "Regional marketing: branding of regions and products" on October 1-6 in Poric, Croatia. The event envisaged partners and colleagues from Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia to meet in

order to understand how to identify and mobilize regional potentials and resources as well as jointly develop innovative approaches which support rural territories in becoming strong partners.



The communications training for the MRDC and the RDAs staff took place in the period November 2-3, 2012. This exercise was focused on internal flows of information and how to efficiently coordinate it, delivering one unique message to the external target groups and on communications crises and how to cope with them. The event was attended by 35 representatives of MRDC and RDAs.

"It is crucial to efficiently communicate to our public. We have to improve our institutional skills of shaping understandable and simple messages for citizens, and improve communication with our colleagues."

(Anatolie Zolotcov, Deputy Minister, MRDC)



In the period November 4-10, 2012, 11 representatives of the regional development institutions and civil society participated at a training program dedicated to regionalization of local public services in Germany. The subjects tackled were: strategic planning, structures for

inter-municipal cooperation, project management, monitoring and evaluation.



"Even though in Germany the partnerships are on volunteer basis, there are certain rules imposed in order to make the parts responsible and accountable. We think that such a model would be efficient for the Republic of Moldova, especially for regional development projects."

(Veaceslav Gututui, Deputy Minister, MRDC)

In the reporting period, GIZ communicated closely with the MRDC on the efficient use of the additional funds of 3.6 million Euros, granted by the BMZ to contribute to the infrastructure improvement in the framework of the 5 GIZ pilot projects implemented by the RDAs. At the same time, there were consultations held with the GoM, MRDC and line ministries on the use of 5.3 million Euros, granted by BMZ for investments in regional development in the key 3 sectors: EE, SWM and WSS.

In the context of the additional funds, GIZ project supported MRDC and RDAs communications capacity by developing a system of videoconferences. In September 2012, the ToR for the system procurement was developed. The tender took place in December 2012 and the contract is to be signed and implemented in the first quarter of 2013.

At the same time, the GIZ project supports the RDAs adherence to the national initiative to inter-connect public institutions through the Management Information System SIGEDIA.

SIGEDIA is now successfully tested for 5 pilot ministries and the State Chancellery. The project is managed by the Electronic Governance Center.

The launch and the effective implementation is scheduled for the beginning of the second quarter of 2013.

In August 2012, the Prime Minister of the Republic of Moldova, Vlad Filat, decided to include three other Ministries to the pilot projects, including the MRDC. On August 6, 2012, MRDC addressed a letter to the GIZ Moldova project asking for the financial support to include the three RDAs in the pilot for SIGEDIA.

In September 2012, the SIGEDIA product was presented to the RDAs and they filled in an analysis document in order to configure information flows. The contract is to be signed in the first quarter of 2013 and implemented in the second quarter of 2013.

The information system is aims to share folders and redirect possibilities, manage tasks, and provide a unique database of projects using automatic synchronization with proiecte.md through a gadget that breaks down available data by regions.

MLPS provided assistance to the RDAs on development of the Regional Operational Plans for 2013-2015 and the revision of the Regional Development Strategies for 2010-2016. GIZ MLPS facilitated the organizing of the ordinary session of the Regional Development Council South and Center on October 3, and Center on October 10, respectively. The sessions' agenda included the final discussions of the ROPs and RDSs.

Also, GIZ MLPS team was involved in the organization and moderation of the Investment Forum of the Southern Region, held in Purcari on October 25-26, 2012 .

- **Ministry of Economy of Moldova (MoEco) and Agency for Energy Efficiency (AEE)**

Since 2006, MoEco has been responsible for all issues relating to energy efficiency and renewable energy. All the activities related to the pilot

projects on energy efficiency were coordinated with the General Directorate of Energy Security and Efficiency of MoEco. The European Energy Manager Training Course (EUREM) represents a key cooperation point between MoEco and the National Agency for Energy Efficiency. The MLPS staff participated in various EE/RES related events and all the respective Donor Coordination Meetings, including mid-term expenditures in the energy field.

MLPS has had regular meetings with the AEE to coordinate the actions of the EE pilot projects and it carried out an information campaign on street lightning in partnership with the AEE during the reporting period.

The project focal point on EE participates at the meetings of the Fund for EE, GIZ representative being member of its Board.

MLSP and the RDAs supported the process of data gathering and processing on energy divisions, conducted by the Agency for Energy Efficiency. In the reporting period, MLPS provided assistance by contracting 3 interns to update and process the database. The launch is foreseen for March 2013.

An international expert was contracted to offer support for the development of the guidelines on training and the examination of the energy auditors.

The German Government, through MLPS, supported MOLDENERGY in organizing the largest contest for awarding the successful initiatives in the Moldovan Sector of Renewables and Energy Efficiency. The contest took place on December 7,

"The fact that the concept of energy efficiency is so present in the public sector demonstrates that it found its place in Moldova. We have confidence that Moldova will be more successful in this area and we will try to support as much as possible these promising initiatives."

(Ambassador of the Federal Republic of Germany to Moldova, HE Matthias Meyer)

2012. Five winners received awards financed by the German Government. The awards consisted of: partial financing of EUREM course, study visits, and optimization of infrastructure to improve EE.

GIZ pilot project on EE in Orhei Hospital received the award for the category "Best Energy Efficiency Project in the Public Sector".



In the period December 2012-April 2013, ten employees of the AEE will study EUREM courses thanks to GIZ financial support.

"EUREM program has the capacity to contribute to the increase and strengthening of the knowledge of the employees in the field of European Energy management, renewables, energy efficiency and relevant legislation."

(Mihail Stratan, Director, AEE)

- **Ministry of Environment (MoEnv)**

In addition to its other responsibilities, MoEnv is also responsible for the efficient management of water resources and solid waste management. Water and waste management is the key conceptual counterpart for three MLPS pilot projects. In January 2012, the project became a member of the Solid Waste Management (SWM) and Water and Sanitation (WSS) Working Groups, headed by MoEnv.

In the reporting period, a GIZ representative attended the meetings of the Operational Group

to develop the Guide for developing the General Plan on Water and Sanitation Supply.

- **State Chancellery**

The State Chancellery coordinates and ensures the strategic planning processes within the central public administration and establishes the methods and organizational framework for public decision making. It coordinates and monitors the performance of central public authorities, including activities related to their internal reforms in order to achieve the country's strategic

European integration objectives. The State Chancellery also manages the process of programming, managing, monitoring and evaluating external assistance to Moldova.

All MLPS activities have been presented to the representatives of the State Chancellery during RDC coordination sessions. In the reporting period, MLPS coordinated its activities on IMC and strategic planning at the local level with the State Chancellery.

Partnership with the national agencies

- **National Water Agency "Apele Moldovei"**

"Apele Moldovei" (the Agency) is the central government's specialized agency for water management in Moldova. Representatives of the agency participated in various meetings and events related to WSS pilot projects. Partnering with this institution helped identify adequate technical and managerial solutions relating to "The National WSS Strategy of the Republic of Moldova."

The representatives of the National Agency were invited to participate in all national round tables on integrated sector planning approaches. GIZ and the Agency cooperated in the framework of the Operational Group to develop the Guide for developing the General Plan on Water and Sanitation Supply.

projects are being conducted in accordance with regulations on public procurement. All related trainings are being prepared in close coordination with the agency.

The GIZ focal point in public procurement has been included as a member of the Steering Committee of the Twinning project for the Public Procurement Agency and the continuous exchange of information. All three RDAs were included in the testing of the online procurement system. On October 1, 2012, the system was officially launched.

In the reporting period, a guide for entrepreneurs on public procurement was developed by MLPS in partnership with the Public Procurement Agency. The publication is currently at the design and editing stage.

- **Public Procurement Agency**

The Public Procurement Agency is a specialized authority within the Ministry of Finance, which ensures the implementation of state policy for public procurement. Consequently, all public acquisition processes for GIZ financed pilot

- **Public Property Agency**

The Public Property Agency, subordinated to the MoEco, implements government policy on public property management for state owned property.

On November 14, 2012, in partnership with the Agency for Land Relations and Cadastre as well as

partnership with MDRC and GIZ, the Public Property Agency jointly organized a roundtable on registration of public property obtained from regional development projects. The event focused on coordination of the necessary activities, and agreement on the future plans.

– **The Agency of Land Relations and Cadastre**

The Agency of Land Relations and Cadastre is the central government body that implements public

policy specifically related to cadastre, cartography and geo-information.

In the reporting period, coordination meetings took place on the subject of registration and management of public infrastructure. At the same time, MLPS assisted the Agency in developing the instruments / documents related to the registration of public property obtained from regional development projects.

Partnership with other Moldovan institutions

– **Congress of Local Authorities from Moldova (CALM)**

CALM represents the largest association of local communities from the Republic of Moldova. It consists of approximately 400 representatives and is a member of the regional network of the Network of Associations of Local Authorities of South-East Europe (NALAS).

At the same time, CALM is deeply involved in facilitating signing of IMC agreements for the communities involved in the Soldanesti-Floresti-Rezina SWM project.

Also, coordination meetings took place in order to avoid overlapping, since CALM is to implement a project on consolidation of local governments capacities in water management in Moldova.

– **Chamber of Commerce and Industry of the Republic of Moldova**

The Chamber of Commerce and Industry is a non-governmental organization whose objective is to support the creation of an improved positive

business climate in Moldova. The Chamber organizes the EUREM course with support from the Project and the Committee on Eastern European Economic Relations. The Chamber organized the official delivery of the certificates to all participants of the EUREM course implemented in 2011.

– **The Academy of Public Administration (APA)**

Collaboration with the Academy of Public Administration started last year.

On May 30, 2012, a MoU between the MRDC, APA under the President of the Republic of Moldova and the German Development Cooperation through GIZ was jointly developed and signed.

The MoU aims to strengthen the cooperation of the parties in the process of implementing the regional development policy through capacity development of the LPA I, II, RDAs, and RDCs.

"We tried our best to tailor this module for the needs of the public servants, focusing on applicable recommendations. We relied on interactive teaching techniques, in order to stimulate critical thinking. Analysis of particular situations discourages the use of prescribed patterns."

(Aurelia Tepordei, Director of Department Professional Development, APA)

In the reporting period, the curriculum for the course "Management of the Project Cycle" and "Strategic Planning" was revised and adjusted. The curriculum documents, including the guide for facilitators and the participants' handout, were developed. These courses will be delivered starting in 2013. The testing started in November 2012. Twenty potential beneficiaries were included in the pilot phase.

- **Regional Office Chisinau of the Technical Joint Secretariat of the Cross-Border Cooperation (CBC) / Trans-National Cooperation (TNC) Programs**

In order to ensure a smooth implementation of the CBC Programs (JOP Ro-Ua-Md, JOP BSB, TNC SEE) in Moldova, a country contact point (Branch Office) was set up in 2007. It is financially supported by several budget lines (EC Delegation in Moldova, TA from the JOP Ro-Ua-Md). The current operational contract ended on March 31, 2012. An extension was envisioned for September 2012 due to internal procedures of the Contracting Authority. The State Chancellery requested the collaboration of GIZ with MRDC and decided to assist the Branch Office Chisinau by hiring two senior experts to implement the activities that should be undertaken April 2012 – April 2012. This should ensure the smooth and efficient running of the cross-border program in the territory of the Republic of Moldova.

In the reporting period, a study on the readiness of institutions for the shared management system has been developed. This system will be a must for the future CBC programme, 2014-2020.

Partnership with development partners in Moldova

- **UNDP / Joint Integrated Local Development Programme (JILD)**

JILD assists the government of the Republic of Moldova in the process of decentralization as well as strengthens local self-government. GIZ invites UNDP to all of its partners' relevant events to exchange knowledge and good practices.

- **USAID / Local Government Support Project (LGSP)**

GIZ and LGSP successfully coordinate their projects by organizing regular meetings and inviting each other to attend key events.

- **Swiss Agency for Development and Cooperation**

The Swiss Cooperation in Moldova, as outlined in the Cooperation Strategy 2010, aims to "support the Republic of Moldova in its objective to guarantee to all its citizens equal access to quality infrastructure and services in the health and water sectors." As the lead donor in the field of WSS, SDC prepared and co-chaired various sector coordination and donor meetings during the reporting period which included MLPS participation.

MLPS is collaborating with the Apa San Project on various activities in the WSS sector, especially in planning at Rayon level (Apa San Project assists the development of a WSS Master Plan for Ialoveni Rayon). Both MLPS and Apa San are members of WSS National Task force, headed by MoEnv.

In the reporting period, GIZ partnered with Apa San Project in the process of updating the National Strategy on WSS and with providing relevant comments to the MoEnv.

– **Swedish International Development Cooperation Agency**

Sweden is the lead donor in the Republic of Moldova in the area of energy, which constitutes a key sector of the 2011-2014 "Country Strategy of Sida for the Republic of Moldova." MLPS has established working relations with Sida in the Republic of Moldova since its inception, participating in regular meetings of the Energy Donor Coordination Council and various events on regional development, decentralization and governance. In December 2011, GIZ and Sida signed the financing agreement for extending the first phase of the Project with 30,000 SDK.

– **Trilateral cooperation: Moldova - Romania - Germany**

The Republic of Moldova is the major partner of Romania in its bilateral development efforts. The Ministry of Foreign Affairs of Romania provided 500,000 Euros in 2010 to MLPS as part of the international development assistance to Moldova for implementing a pilot project on improving water supply and sewage systems in the village of Rosu, Cahul Rayon.

In August 2011, the Ministry, in cooperation with MLPS, increased its contribution by an additional 200,000 Euros, which was used for improving

sanitation in Rosu complementary to the ongoing water supply activities.

In the reporting period, the infrastructure for water supply was finalized and the official inauguration of the water pipe took place on November 8 - Rosu anniversary day.

"Water supply of rural localities represents a step forward in adopting European standards in the area of public services. By implementing this project, Rosu village becomes a model to be followed at regional and national levels."

(Bogdan Aurescu, State Secretary, Ministry of Foreign Affairs of Romania)



Canalization project was postponed in order to carry out additional analysis. Given the works would enter the winter season with the procurement phase being scheduled for September-October 2012, an extension of 6 months was requested for the project.

– **Czech Development Agency**

Czech Development Agency is to develop feasibility studies on SWM for the South Region in two sub-regions. GIZ will conduct the feasibility study for yet another sub-region.

The development of these studies fits into the SWM Strategy for the South Region.

In the reporting period, a MoU between Ministry of Regional Development and Construction of the RM, Ministry of Environment of the RM, Ministry of Health of the RM, South Regional Development

Council, South Regional Development Agency, Czech Development Agency and GIZ on the cooperation and operation of the Solid Waste Management Strategy of South Region was developed and is to be signed at the beginning of 2013.

According to the document, CDA has to provide all technical assistance related to prefeasibility and feasibility studies, ensuring that all elaborated documents will be reapplied and submitted to the partners and the beneficiaries from South Region.

I. MODERNIZATION OF LOCAL PUBLIC SERVICES IN THE REPUBLIC OF MOLDOVA

Chapter 1. Regional Planning and Programming

1.1. GOPA II consortium's inception period

According to the TOR, the GOPA II consortium project team must deliver an Inception report within three months of the commencement of their work. Specifically:

- The Inception report should include an updated half-yearly work plan;
- Verifiable data for monitoring project performance according to the indicators stated in the ToR;
- A description of the activities undertaken during the inception phase;
- And the set-up of project assets.

For reasons explained below and in the Progress report #6, this report was submitted beyond the designated deadline in agreement with the GIZ Resident Representative.

From the beginning it was revealed that the work and tasks of this new team of international and national consultants and experts lie within the wider scope of Area of Intervention 2 - "Regional Planning and Programming" - and of a still wider GIZ Project "Modernization of Local Public Services" (MLPS). The services required are to be delivered as part of an on-going project and within an already dynamic and fast changing context related to a complex set of issues such as decentralisation, regional development, EU integration as well as other positive and unforeseen changes in the project environment.

A number of important changes have taken place during the inception period and these have had some impact on the work of the consortium. They are factors that explain why this report has taken longer to complete than originally foreseen.

Among these, the new interventions are:

- The entire re-working of the Results Based Monitoring and Evaluation (RBM) model on which the entire Project is based (all intervention areas);
- The offer by BMZ of significant investment support to Regional Development in Moldova, totaling 13.6 million Euros, of which 3.6 million Euros is for equipment and 10 million Euros for investment in works.

Besides this, the GOPA II consortium has been involved in the inception period with supporting the MRDC to develop a new National Strategy for Regional Development. This is now in draft and as yet is not adopted by the Government. However the Consortium has consulted with the MRDC to identify how - within the scope of its ToR - it can assist the Ministry to implement relevant parts of the NSRD Action Plan. In this regard the following key areas have been included:

- Review of RDA functions with regard to the medium term;

- Methodology by which regional sectoral plans (to be developed as part of the GIZ MLPS Project (Area of Intervention 2) will be integrated into the Regional Operational Plans;
- Support to a RBM approach especially with regard to other activities in which the GOPA Consortium is involved at regional level;
- Development of specific methodologies related to regional planning and to project development.
- Support to the MRDC for the drafting of the NSRD;
- Support for the development of a RBM system for the entire Project;
- Support to GIZ, the MRDC and RDAs to finalise project documentation for a number of infrastructure projects to be funded in 2012-2013 by the German government through the assistance it offered to Moldova in August 2012.

Therefore, within the GOPA II Action Plan, a new sub-area of activity has been introduced, termed “Regional Development” (Horizontal). This has been introduced in agreement with the MRDC and will help ensure that the Project and its beneficiaries are able to draw optimal benefit from the outputs of other activities in the areas, notably Regional planning (sectoral) and project development. Critically it provides support to proactively articulate the link between Regional Sectoral Plans (the tools that the Project will develop) and Regional Operational Plans (the legal document in current use to determine projects for funding). Plus it addresses other issues such as M&E that are specified within the draft NSRD Action Plan.

A new capacity development area of activity has also been introduced to support specific activities within the NSRD Action Plan and to ensure that RDAs and other organisations are able to anticipate and organise accordingly to manage the changed realities that will emerge through the work of the MLPS Intervention Area 2.

As indicated above, the inception period, which was originally agreed to be September-November 2012, was extended to December 2012. During this period, the team carried out the inception activities outlined in the technical proposal. However, it should be noted that in addition to the inception activities outlined in GOPA’s technical proposal, the team has undertaken additional activities outside the terms of reference of the project:

These activities were all unforeseen and carried out at the request of the GIZ. The most demanding for time and other resources was the last activity. In August 2012 the German Government offered substantial assistance for regional development in Moldova to the value of 10 million Euros in investment support. Under prevailing German budgetary rules it was agreed that approximately 5.3 million Euros of this would need to be targeted on projects that would begin tendering rapidly in 2013. This led to a complex, resource-intensive and time-consuming exercise to identify, negotiate and work on a small set of potentially fundable projects.

Projects were identified in cooperation between GIZ and MRDC and mostly originated from the 2012 Second Call for Project Proposals and / or were linked to pilot projects already initiated by Intervention Area 1 - “Modernization of local public services”- under the GIZ MLPS project. GOPA II Consortium’s experts scanned an original series of around 20 SWM and WSS projects and proposed an initial list of seven Energy Efficiency (EE) Projects. Through various discussions involving the GOPA II team, agreement was established with the MRDC, MoH, MoEnv and AEE to work on a shorter list of SWM and WSS projects and consider a longer list of 13 EE projects in the hospital sector. Subsequent to work on these projects the GOPA II Team submitted the elaborated technical documentation (Report on Project, Explicative Memorandum, Technical Drawings, detailed Bill of Quantities, Budget) to GIZ Construction Department for scrutiny, prior to

recommending projects for initial inclusion in the Financing Agreement between GIZ and MRDC that was signed in December 2012 for a budget of approximately 5.3 million Euros which secured the first tranche of funding.

Table 1. Number of projects evaluated and included in the Financial Agreement

Sector	No. of projects submitted to GIZ Construction - 15 November 2012	No. of projects included in Financing Agreement GIZ-MRDC - December 2012
SWM	2	2
WSS	7	6
EE	8	0

Projects have been included in the Financing Agreement with the understanding that their implementation can start soon. Work is currently continuing to finalize the tender books for these projects and elaborate a demand scan.

These additional activities, however, have massively drawn on project resources and an estimated 60-70% of resources have been diverted to these purposes. In practice this means that the level of deployment of project resources is running at a much higher rate than was foreseen. Unless new resources are rapidly found before the end of February 2013, there will be a standstill with regard to certain activities.

Support to project development in this early stage was a useful pilot exercise for the more substantial work of this nature that the GOPA team will be involved in later, upon completion of regional (sectoral) planning.

Lessons learned from project development work for German Investment Support

The preparation of fundable projects in SWM, WSS and EE that has been undertaken serves as a lesson with regard to the prevailing practice of infrastructure project identification and preparation in Moldova. Most of the SWM and WSS projects which the team worked on were taken from the Second Call

for project proposals to the NFRD, while some of the WSS projects originated from Intervention Area 1 work. The following general remarks are based on the experience of working with most of these projects in WSS and SWM:

- Even if a feasibility study is required, the requirements and scope of a feasibility study as understood in Moldova are quite different from that in most European or OECD countries. The main difference relates to the neglect in Moldova of demand, economic and financial considerations and, especially, key issues such as cost recovery and longer term sustainability. Indeed, before a final decision can be made on funding each project currently contained in the Financing Agreement, GIZ has required a “demand analysis” and this is now being undertaken simultaneously with elaboration of the tender book;
- Even if a project is submitted to a funding source such as the NFRD, the sections on the application form relating to economic and demand issues are inadequate and it appears likely that inadequate attention is given to these considerations at all levels of the appraisal process;
- Finally, and above all, engineers are the drivers behind projects: most key documents required must be developed by accredited engineers and designers. In contrast, economists and other specialists play an entirely subordinate and marginal role.

These lessons are important for the onward work of the GOPA II team, especially as we move towards project identification and prefeasibility preparation subsequent to completion of regional planning.

The consultants are currently contracted to implement the activities described under scenario A of the ToR. The scope of scenario A, described in the ToR, is given as:

- Updating Regional Development Strategies with Regional Operational Plans;
- Developing a project pipeline of investment fiches in the priority areas of water and sanitation, solid waste management and energy efficiency of public buildings;
- Developing capacities of local and regional administrations and development structures (i.e., the RDAs and RDCs).

The first scope is based on and is going to be achieved through developing regional sector plans in three priority areas: WSS, SWM, and EE of public buildings.

1.2. Developing Regional Sector Plans

Regional Sector Plans are not legal documents. They are merely a tool to be developed by the Project in cooperation with stakeholders in three main sectors. They will feed into Regional Operational Plans which are legal documents.

According to the TOR for GOPA II Team, this major result is set out for RPP:

- Integrated Regional Operational Plans on Water Supply and Sanitation, along with Solid Waste Management and Energy Efficiency of public buildings are prepared in a participatory manner by each of the RDAs North, Center and South. ROP will take into consideration respective sector policies and strategies as well as local interests (baseline 2011: 0; source: number of integrated Regional Operational Plans developed, quarterly RDA progress reports to MRDC).

As of mid-December 2012, Work Plans have been developed for Regional Planning in two sectors (SWM, WSS) and work has begun in each through initial workshops. Regional Planning in Energy Efficiency will start in early February 2013.

This activity will, in general, take around six months, depending on the sector and depending on the extent to which it incorporates the next logical phase of work, namely project development (from possible concepts to viable project concepts / investment fiches). In some cases (e.g. SWM) this will, more or less, be factored into the regional planning process itself.

A possible outline of each Sector Plan (to be adapted to each sector and to each region) would roughly be as follows:

Table 2. The structure and short content description of the Sector Plan

#	Section	Short summary
(1)	Description of Overall Situation in Region / Sector (max. 8-10 pages)	Identification and description of the state of current sector / region – including recent trends - using key context indicators with short commentary, and comparisons to national average, perhaps EU average or other relevant indicators. Identification of key issues and challenges Analysis of relevant national (sector) strategies / plans /

		<p>adopted legislation in terms of the directions and parameters they suggest for medium term planning in sector / regions</p> <p>Analysis of any implications of proposals related to future decentralisation with specific reference to sector / region</p> <p>Analysis of all existing local / regional strategies or plans in relevant sector / region</p> <p>Analysis for each sector / region of specific gender issues, or issues related to acute disadvantage</p> <p>Analysis of existing service delivery structures and capacities in sector / region</p> <p>Current / future levels of financing (national, donor, local), projected future levels in sector, regulatory issues</p> <p>Analysis of relevant lessons already learned in the region / sector, including any specific experiences</p> <p>Identification of any particular experiences in Moldova or elsewhere that provide orientation for region / sector</p>
(2)	Summary of situation in each Rayon (max. 1 page for each Rayon)	This section will provide a one-page fiche and description of the particular situation in each of the Region's Rayons. Fiche will be based on the relevant sub-headings of previous chapter
(3)	Proposed Level of Service by 2018-2020 (max. 8 pages)	This section will be based on an informed " <i>visioning exercise</i> " to be facilitated within the technical workgroup and discussed in smaller groups within a wider consultation. It will be based on expert analysis derived especially from work in section (1). The key elements of the "vision" will relate to the nature, level and possible organisation of relevant service. Upon agreement, this "preferred scenario" will have the status of the "regional partnership's informed vision of what is desirable realistic possibilities" for the period 2018-2020 (roughly).
(4)	Action Plan (max. 4-6 pages)	<p>Table indicating key decisions, regulatory issues to be resolved especially within region, any key national conditions / assumptions, in addition to key investments to be made. This represents a consensus view in Region, but not necessarily everything. Some law or draft strategy may still evolve. It will help inform any future policy evolution, as well as providing a basis for future action.</p> <p>The key issues that would figure into this section might especially relate to:</p> <ul style="list-style-type: none"> ▪ Organization of service areas and service vehicles; ▪ Issues of affordability, accessibility, etc. <p>A proposed management and monitoring system for the implementation of this Action Plan.</p>
(5)	Details of Emerging Possible Project Concepts (max. 20 pages)	Sections (3) and (4) above will already suggest "possible" investments required to build up the system so that it can provide the envisaged level of service in the period 2018-2020. The "possible" investments should relate directly to the agreed vision of service. They should meet any particular agreed criteria (e.g. size, location, purpose, service area) implicit or explicit in the agreed vision. Nevertheless, within the parameters of the Plan the precise feasibility (in some cases even prefeasibility) of such "possible" investments will be investigated after adoption of this Plan by the RDC. By adopting

		<p>the Plan, the RDC is noting that it should be a basis for:</p> <ul style="list-style-type: none"> ▪ a process of further project investigation and preparation; ▪ a basis for future Regional Operational Plans; ▪ a possible basis in a relevant time-frame for future improvement of Regional Development Strategies. <p>The RDC will express its commitment to monitor through the RDA the implementation of the proposed Action Plan in order to ensure appropriate preparations for the agreed service levels in the period 2018-2020.</p> <p>The list of project concepts and their partners will be invited by the RDA to participate in a special program to investigate the prefeasibility of these project concepts with a view to confirming a certain number as “viable project concepts” set out in future “investment fiches”. Subject to further support from the EU, those that meet the requirements of “viable project concept” will then be prepared with a view to full readiness for implementation from early 2014 onwards.</p>
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Development of the Regional Sector Plans started with a series of workshops with members of the Working Groups (WG) as the participants established in each development region in each priority sector – WSS, SWM, and EE of public buildings.

The general methodology of workshops is based on gaining “engagement” from participants, downloading their experience and expertise, enabling them to think strategically, smartly and sequentially about problems and towards solutions. For this reason, participants should always be given time to:

- (i) In small groups discuss, identify and note concrete questions, key ideas and answers (no more than 20 minutes);
- (ii) Present ideas to wider group (process of dissemination);
- (iii) Prioritize and action the most important issues, (including suggestions to the TA team on How to action priorities.

Then experts present a short summary, providing some prepared research findings or

other relevant orientations (30 minute maximum). Follow this with small group discussion, then wider discussion and recording of ideas. Create a document from all the compiled notes.

The process stops at this point. A primary hypothesis or view of particular issues is drafted where possible. These give feedback to groups at the next meeting, are moved forward, and built on by experts.

During the reporting period October-December 2012, the following activities have been performed to move toward achieving the above mentioned major result:

- 8 out of 9 WGs have been established in WSS, SWM and EE of public buildings in all three development regions North, Center and South (one WG in EE sector is to be set up in the Center Region);
- 3 internal workshops (one per region) on Integrated Regional Planning have been conducted by GOPA II Team’s management staff members;

- First three workshops (out of 18) on Regional Planning in the area of SWM have been organized by RDA South on December 5 for 28 participants, including representatives from the MRDC, MoEnv, Association for SWM in the South Region, NGOs, RDA South and GIZ MLPS; by RDA Center on December 6 for 23 participants, including representatives from the MRDC, MoEnv, SWM area's Working Group Center, RDA Center and GIZ MLPS, and by RDA North on December 7 for 25 participants, including representatives from the MRDC, MoEnv, SWM area's Working Group North, RDA North and GIZ MLPS;



First two workshops (out of 15) on Regional Planning in the area of WSS have been organized by RDA South on December 18 for 30 participants, including representatives from the MRDC, MoEnv, WSS area's Working Group South, RDA South, GOPA II Team's experts and GIZ MLPS regional advisor, and by RDA Center on December 19 for 22 participants, including representatives from the MRDC, MoEnv, WSS area's Working Group Center, RDA Center, GOPA II Team's experts and GIZ MLPS regional advisor.



1.3. Capacity Development of our Partners

According to the Result Based Monitoring System model, the following results have been set up to be achieved after preliminary discussions and workshops:

- Regional Development Agencies are enabled to facilitate Regional Integrated Planning;
- LPAs are enabled to identify investment projects based on

integrated and participatory planning and programming;

- Regional Development Agencies and LPAs contribute essentially to the project preparation process;
- Regional Development Agencies’;
- and Local Public Authorities’ capacities to access funds are increased.

Certain activities, oriented toward developing necessary capacities in individual staff members and institutional levels of RDAs, must be carried out to achieve these results. To quantify the level of results achieved, a baseline assessment of the actual capacities of RDAs was necessary. Accordingly, GIZ experts and advisors performed one day interviews at each RDA with the chiefs of Strategic Planning and Project Management Departments (RDA North on November 13, RDA Center on November 14, and RDA South on November 15).

RDAs’ capacity evaluations have been prepared based on the results of these



interviews along with legal documents, reports, etc. These evaluations will serve as a baseline for monitoring the capacity development process.

To move toward in achieving the above mentioned results, the following activities were performed during October – December 2012:

- A specially tailored training on **“Regional Development through inter-municipal cooperation: Conceptual Framework and Best Practices”** was organized by Capacity Building International Germany and GIZ Moldova for a group of 15 participants representing MDRC, RDAs, APA and GIZ MLPS project. Detailed presentations and discussions regarding the concept of regional development in one region of Neumarkt, Bavaria, plus field visits and best practices, proved to be very useful activities for all participants;



- The first workshop on “Introduction to the Result Based Monitoring System” (RBM System) was organized on November 23 for a group of representatives from MDRC, RDAs and GIZ. The workshop was structured in two parts. The first part focused on

the general concept of the RBM System, while the second part focused on RBM System application to the MLPS project, and second, and how RBM System application can improve the existing Monitoring and Evaluation systems at MDRC and RDAs.



GIZ and GOPA II consortium Work Plans aim to further capacity building of GIZ MLPS' partners



in 2013 through workshops, study visits and other activities.

Chapter 2. Local Public Services

2.1. Capacity Development in Local Strategic Planning and Programming

This sub-chapter reflects the major interventions in local strategic planning and programming in municipalities of the Riscani, Floresti, Soldanesti, Rezina and Cahul rayons.

The project offers support to local communities in applying the integrated participatory planning approach for the local planning and programming process.

2.1.1. Participatory Inter-Municipal Planning of Solid Waste Management Services in Floresti, Soldanesti and Rezina

The Team of the Foreign Country Assignment of Seminar Ladliche Entwicklung (SLE) of Humboldt University Berlin was subcontracted in 2012 to contribute to the development of practical concepts of identifying investment priorities in the SWM area; to propose ways for scaling-up existing service providers towards regionalization; to support the LPAs of Soldanesti, Rezina and Floresti Rayons in updating the chapter for SWM of their SEDS.

The SLE team, in close cooperation with the RDAs, aimed to support district administrations in developing sector-specific strategic plans on solid waste management to be included as separate chapters in each of the Rayon's socioeconomic development strategies. New perspectives on how to solve common challenges of SWM in the three pilot Rayons were developed jointly in a participatory way. The SLE team acted as a process facilitator enabling the involved stakeholders to communicate across political and administrative borders. In addition to initiating the process of developing content for the SWM strategy, capacity development measures with local and regional partners in the fields of participatory strategic planning and workshop design was an important component of the project. Such measures support the partners in their efforts to replicate the planning process autonomously. The interaction process mainly took place in common work spaces during workshops and

was based on multi-stakeholder dialogue. At the end of this process the SLE prepared a report. This report provides an example of how participatory strategic planning can be practiced on the local level in the Republic of Moldova and can contribute to modernizing local public services within the framework of decentralization.

Recommendations

The SLE team has developed several sector-specific recommendations of what is necessary to improve the current solid waste management system. The general specific planning recommendations outline how to strengthen participatory strategic planning of local public services.

In terms of SWM the SLE team recommends:

- The Ministry of Environment finalize and approve the **National Strategy on Solid Waste Management**, and an **updated law on household waste be adopted** as soon as possible so local administrations can refer to more reliable documents and legislation;
- Decision makers **consider already existing experiences in Moldova concerning SWM**. The SLE team identified potential in the private

sector in addition to the existing experience in developing and implementing a regional waste strategy;

- Nongovernmental organizations - which possess capacities to increase the level of awareness among the population should **carry out awareness raising activities** in cooperation with local governments (LPA1 and LPA2) in various ways, such as national cleaning days, information campaigns in schools, public exhibitions.

Concerning participatory strategic planning, the SLE team recommends:

- National authorities pass a **legislative framework on local strategic planning** to provide guidance on how to develop SEDS;
- LPA2 create a **strategic planning department** in order to institutionalize the planning process;
- MRDC, in cooperation with international organizations, strengthen the role of **regional development agencies** to bridge the gap between the national and local levels. To support the strategic planning process adequately, MRDC should increase the RDAs financial and human resources and carry out capacity development measures with their staff.

2.1.2. Integrated participatory planning approach for the process of local planning and programming in Riscani and Cahul

During the last year, the project provided technical support to the communities from Riscani and Cahul Rayons in the process of updating the chapter on WSS of the Rayon SEDS. The project provided assistance in applying the participatory approach to the planning process, and as a result, the SEDS for Cahul Rayon was approved in 2012.

Following the request of local authorities, MLPS will support the administrations of Cahul and Riscani Rayons in implementing the Action Plan of the updated SEDSs. With the support from MLPS, RDA South and RDA North, the process of preparing feasibility studies for water supply and sewerage in districts Cahul and in Prut Cluster of Riscani Rayon began in December 2012.

2.2. Development of LPAs Capacities for Inter-Municipal Cooperation and Development of Capacities of Service Providers

In the last reporting period, the framework for institutionalizing the IMC Structure in SWM by the municipalities of Soldanesti, Rezina and

Floresti Rayons was analyzed. Currently several models for institutionalizing the

framework are being developed by the group of experts.

A team of national short term experts was assigned to development of potential legal and institutional forms for the joint provision of water supply and sanitation services in Cahul town and Rosu, Crihana Veche, and Manta villages. The findings – including a critical review of experiences of international donors in this sector – were frequently presented and discussed with the project stakeholders and the corresponding local WG. Currently, the expert team is preparing the final report. This report is to reflect the current situation of the water supply and sanitation services and is to provide a SWOT analysis of the identified potential legal and institutional forms for joint service provision. Additionally, the expert team prepared and conducted a study visit of the local WG to Romania to learn about joint services provision modalities and to share experiences.

A national expert was assigned for preparation of water tariff structure and the corresponding calculations, based on an assessment of the possibility of adapting the existing water tariff structures for extended service provision. The findings of the assessment and possible adjustments will be presented and discussed with the local Working Group.

Planned activities for the next reporting period:

The Project will continue to offer TA to the 70 municipalities from Soldanesti, Rezina and Floresti Rayons, which signed cooperation agreements for developing an integrated solid waste management service. The assistance will help the local administration in selecting the appropriate service institutional structure and in developing master documents for institutionalizing an IMC structure.

The municipalities from Cahul Rayon, Prut Cluster and Riscani Rayon will benefit from technical assistance in selecting and implementing the most suitable form of organization for the WSS services.

To carry out the above mentioned tasks, the projects will cooperate with the representatives of LPAs, central authorities, policy makers, the donor representatives, of national and international organizations and the research and development community representatives.

Chapter 3. Pilot Projects Implementation

In 2010, the MLPS in cooperation with MRDC selected five pilot projects in the three sectors of WSS, SWM and EE. These pilot projects were the most relevant to emphasize that the beneficiary communities prove ownership and willingness to solve the basic needs of their population in a transparent, innovative and cooperative way.

The MLPS technical assistance is offered by permanent local public services advisors, which, together with RDAs' staff offer assistance to selected communities in the

process of capacity development of LPAs planning and programming the investments, capacity development of service providers and capacity development in implementing physical investments in developing or modernizing public utilities. All these processes are being monitored and evaluated by the RDAs with the support of international and national short term consultants. You can see a brief description of the five pilot projects and their status of implementation below.

3.1. Water and Sanitation: “Water Supply and Sewage Services in the Village of Duruitoarea Veche, Commune of Costesti, Riscani Rayon”

The project aims at supplying drinking water to Duruitoarea Veche village as well as improving water supply and sanitation service quality in Costesti village from Riscani Rayon, which is located in the North Development Region of the Republic of Moldova.

Objectives:

- Construction of water supply and sewage system in Duruitoarea Veche village;
- Improving quality of WSS service in Costesti village;
- Informing citizens about the importance of effective management of water resources.

Achievements:

Physical investments

Improving the infrastructure of the service provider Apa Canal Costesti”

Due to an additional 50,000 Euros from the German Government, the measures for improving the infrastructure of the service provider “Apa Canal Costesti” took place. After public procurement in November, repair work to the office “Apa Canal Costesti” took place. During the repair work, GIZ Advisor along with RDA North representative and technical supervisor, carried out seven monitoring visits. These measures created premises for joint provision of WSS service in Prut Cluster, Riscani Rayon.



Improving the management of the public service

Business plan for “Apa-Canal” Costesti was approved by local council. It will contribute to improving the quality of WSS service in Costesti commune.

Planning, Monitoring and Management

- In collaboration with RDA North and mayoralty of Costesti commune the Project’s Operational Plan for 2013 was updated;
- In November, a delegation from the Germany led by Dr. Leo Kreuz, head for Eastern Europe at the German Federal Ministry for Economic Cooperation and Development (BMZ) and Sonja Schuler, BMZ representative, visited the Riscani district. This visit happened in the context of the Moldovan-German government negotiations on financial and technical assistance funds. The event was attended by General Director for Regional Development, Ministry of Regional

Development and Construction, Valerian Binzaru, and RDA North Director, Ion Bodrug. Members of the delegation met with the mayor of Costesti, Ivan Plesca, after they visited the village of Duruitoarea Veche. The agenda also included a meeting with the administration of RDA North, the district administration, the citizens, the service provider "Apa-Canal Costesti”, particularly to discuss the renovation of the pumping station and the treatment plant.

- After the adoption of SEDS by Riscani Rayon council, the council began the process of developing the Feasibility Study for Prut Cluster, Riscani Rayon. Two meetings were organized of the experts and the local working group to develop the feasibility study. The experts also had meetings with the local NGOs to determine affordability / willingness to pay for research.



Lessons Learned:

Physical investments

The presence of a technical supervisor in the field is very important for quality monitoring. Also, weekly monitoring visits to pilot project by GIZ Advisor and representative from RDA North are very important. The final beneficiary of the project has the guarantee that the project is realized in accordance with its expectations at all stages of project implementation. This means that in the final stages of construction work and transmission of the work from RDA North to service provider "Apa Canal Costesti", no problems or misunderstandings will occur.

Improving the management of the public service

Though the Business Plan for "Apa Canal Costesti" offers solutions for the improvement of WSS services in Costesti Commune, and for the future in Prut Cluster, the services provided still need assistance from experts to develop long-term investment programs and rehabilitation plans to develop a system of penalties / fines for customers who do not



comply with the service contract, and to develop a billing mechanism.

Planning, monitoring and management

Planning process is a very important step in the implementation of the project. Therefore, all partners must engage in this process to guarantee that all factors and opinions will be taken into consideration. It is then possible for the project manager to realize the project on schedule and in accordance with all indicators. Monitoring is equally important. The technical supervisor monitors possible effects to the final beneficiary of the project.

Plan for the next three months:

Physical investments

- Reparation works of the "Apa Canal Costesti" office buildings will be finished;
- The budget for purchasing special equipment for service provider "Apa Canal Costesti" will be done.

Improving the management of the public service

- The long-term investment programs and rehabilitation plan will be prepared;
- A system of penalty / fine for customers who do not comply with the service contract will be developed;
- Billing mechanism will be elaborated;
- Training to the “Apa Canal Costesti” staff will be offered.

Planning, monitoring and management

- Detailed Activity Plan for 2013 will be developed; monitoring each municipality of Riscani Rayon in updating its SEDS to be in accordance with the updated SEDS of the Rayon;
- Feasibility study for the priority Prut Cluster will be in development;
- Facilitation in the process of signing the IMC agreements for joint provision of water and sanitation services in Prut Cluster, Riscani will be done.

3.2. Water and Sanitation: “Water Supply Services in Rosu village, Cahul Rayon”

Brief Project Description:

The project aims to supply drinking water to the 3700 inhabitants of Rosu village. The project will produce the following outputs: 12.5 kilometers of water pipes, two pumping stations to maintain pressure, and five points for water supply to fire hydrants.

Achievements:

Physical investments

Water System. Construction of the aqueduct was completed according to the work schedule of the construction company and included all technology phases of project execution:

- Land works;
- Pipe fitting work;
- Wells installation works;
- Assembly and fittings of fire valves;
- Construction work for the pumping stations.

In December 2012 the new constructed water infrastructure was transferred from RDA to LPA Rosu.

Physical investments: Sewerage System

In 2011, the Romanian Government approved 200,000 Euros for the extension of this project. The mayorality of Rosu organized a call for public procurement to select a design company to develop the technical drawings for the new sewerage system in December 2011. The design company was contracted by the mayorality of Rosu based on distribution of 200,000 MDL from the local budget. The technical drawings for the sewerage system were updated with the hydrological study. Due to the high complexity of design, works were completed in September. Currently the project had been verified with the expertise from relevant institutions.

Improving the management of the public service

According to the Diagnostic Analysis developed in 2011 along with Cahul Apa Canal administration a list of operational needs was developed which have to be funded with additional sources from GIZ by the end of February 2013. These needs require the purchase of technological equipment, safety equipment, and IT equipment. At the same time, a training program for the staff of Apa Canal is being developed for implementation in 2013.

Planning, Monitoring and Management

Cahul is one of the first Rayons in Moldova that prepared and updated a chapter on Water Supply and Sanitation of their Socio-Economic Development Strategies. These strategies, which were approved in mid-2012, foresee that currently fragmented water supply will be regionalized using one water source. In the Rayon of Cahul, the entire territory will be supplied with water from the existing water intake and treatment plant in the city of Cahul.

In December 2012, based on the Action Plan of the updated SEDS, the Rayon Administration Cahul with the support of GIZ and RDA South began the process of preparing feasibility studies for water supply and sewerage in district Cahul. The studies aim to make these products available in the second half of 2013. Then it should be possible to attract investments in the water and sanitation sector.



Also in December 2012 the first draft of the assignment for providing expert help and support to the city of Cahul and the villages Rosu, Crihana Veche and Manta was presented for elaborating, agreeing and implementing the legal and institutional form of joint provision for WSS in their

territories. In addition to this objective the results of the experts work is to contribute to the development of legal and institutional approaches for the joint provision of WSS in similar cases in the Republic of Moldova.

Lessons Learned:

Physical investments

The presence of the independent technical supervisor in the field is very important for quality monitoring. In the Republic of Moldova the professional level of local specialists is low. They do not have enough experience or responsibility, even if they are certified by the state for specialized services.

Improving the management of the public service

For a successful capacity building process, it is important to start with training needs assessment.

One of the main conditions of the capacity building program is the availability of the local residents to participate in the training.

Planning, monitoring and management

In the process of updating the SEDS WSS chapter, several aspects were identified to replicate this exercise in other districts:

- In the planning process it is necessary to be guided by third parties outside the community,

such as strategic planning experts. The involvement of those responsible for WSS at national, regional and local levels is welcome;

- Legal support is very important to unify the planning process, especially for linking strategies at national, regional and local levels (very important for RDA). Collection of the local data requires more time. People who collect the data should be trained in this field;
- In the research / consultation key representatives from the local institutions should be involved who know the information and have the decision power;
- Identifying the right solution for water supply and sanitation at the district level requires clear guidance from the MoEnv. The national vision for water supply, service management, and regulatory requirements should be clear from the beginning of the planning process.

All activities and events related to this project have large scale dissemination and are available in various mass media sources: the web pages of the Romanian and the German diplomatic missions as well as the local and international media.

Plan for the next three months:

Physical investments

The construction of the sewerage system in Rosu village: Scheduled for March 2013.

Improving the management of the public service

Improvement of public service management by expansion of the restructuring plan for the municipal enterprise “Apa Canal Cahul”: Based on recommendations included in the Economic Analysis Report "Water Canal Cahul", an action plan will be developed to improve water management service.

Information and awareness campaign for consumers: RDA South, with the support of GIZ, will contract a company from the South region to prepare and organize the information and awareness campaign. The selection will be based on the set reference terms according to transparency requirements.

Planning, monitoring and management

Implementation of the WSS Chapter of the Cahul Rayon SEDS: The Planning Guide in the field of water supply and sanitation will be prepared in the next period.

3.3. Solid Waste Management Pilot Project Implementation: “Expanding Integrated Waste Management towards Rural Areas Located in the Ciorna River Basin”

Brief Project Description:

The pilot project aims at decreasing the environment pollution by expanding the integrated management of waste collection and storage in Soldanesti city towards 7 villages located in the basin of the Ciorna River, but also in other localities from Soldanesti, Rezina and Floresti Rayons, to cover the needs of app. 200,000 inhabitants.

The project aims to achieve the following main results:

- **Updated SEDS Chapter on SWM through participatory and integrated planning approach;**
- Constructed SWM System (landfill, transfer stations, recycle yards, logistics, etc.);
- Improved IMC for establishing and sustaining management of the SWM System;
- Improved Management and Operations of the SWM Service Provider;
- Awareness created for beneficiaries of the SWM Service having to do with separate waste collection along with the need for a responsible attitude toward the environment.

Achievements:

Physical investments

Technical drawing of the Soldanesti landfill

In order to extend the service in this phase to a bigger number of localities from three Rayons, GIZ invited an expert to analyze the technical drawings for the Soldanesti sanitary landfill. It was decided to extend the construction area of the landfill in phase one because it is necessary to increase the volume of the basin for the disposal of waste. This increase will allow phase one of the constructed landfill to be used for a minimum of 5 years. It will permit proper disposal of a greater volume of residual waste from a larger numbers of inhabitants. The GIZ experts will provide assistance to the local company which will prepare the technical drawings.



Technical drawing of Soldanesti Recycle Yard

Recycling activities increase the lifespan of the landfill an average of 2-3 years, and the use of proper compaction equipment an additional 2 years. In total, the combination of waste minimization and proper compaction extends the lifespan up to 5 years. The recommended activities by the international expert aims to

strengthen and support activities in waste minimization (recycling, composting, etc.) within the participating local authorities and aims to purchase proper compaction equipment during the landfill investment phase. Therefore, a new direction of MLPS is to invest money into construction of the Recycle Yard and compost facilities in Soldanesti. These facilities will help increase the volume of collected recyclables and compost and will contribute directly to the increased lifespan of the landfill.

The technical drawings for the Soldanesti Recycle Yard were already finished and were approved by the National Center for Public Health. At the moment GIZ is preparing the tender book documents for the construction of the recycle yard. The environmental analysis is not yet complete.

Technical drawings for the Floresti Recycle Yard

Globeco International is preparing the technical drawings, referring to those of Soldanesti recycle yard in the process. The technical drawings should be finished by the end of February 2013.

Technical drawings for the transfer station in Floresti and Cotiujenii Mari (Soldanesti)

GIZ plans to organize a competition through the tender process to select a company which will develop the technical drawings for the transfer station for Floresti city. The preliminary design concept was developed by the international environment expert and, in so doing, the Terms of References for the selection of the company which will prepare the technical drawings are in place.

The environmental international expert's next step is to select the which will elaborate the technical drawings. This will be done through a competition.

Approval of the full financial request for the NFRD for the projects of Soldanesti and Floresti

With GIZ support, the Conceptual Notes were prepared by the LPAs I from Soldanesti and Floresti cities and then the full financial request for the NFRD was developed. The Soldanesti project is named "Improvement of the municipal services related to the extension of solid waste collection, controlled disposal, waste avoidance and reduction measurements in Soldanesti Rayon and other localities from river basin Ciorna." The Floresti project is named "A clean environment for a sustainable society". Both projects were selected to be financed in 2013. Both projects accumulated considerable points in evaluations. Now they wait for the last session of the evaluation commission at the national level.

The construction of the platforms in Floresti Soldanesti and Rezina Rayons

In the reporting period, the documents for the additional investment of the 2.1 million Euros were prepared. The investments are intended to combine logistics in these Rayons, which will help in the future to build an appropriate system of integrated solid waste management in the Floresti, Soldanesti and Rezina Rayons.

These additional funds will be used in the most appropriate way to cover the costs of collection of waste for Soldanesti Rayon for all of its villages, for Floresti Rayon for twelve localities and for Rezina Rayon for four localities. In total, 474 platforms will be constructed in all three Rayons. Concurrently the necessary equipment for the logistics and for the compost facilities will be procured. And it was proposed to support the refurbishing of the office for the ME Regia Apa Soldanesti as well as procure the necessary equipment for the staff in this period of time.

In the reporting period RDA Center organized the tender process for the selection of the company which will construct the platforms in the 35 localities of three Rayons. The tender process was led by RDA Center with participation by representatives from all three Rayons, both RDAs and MRDC.

Currently in Floresti Rayon 150 platforms are finished of the 215 planned; in Soldanesti and Rezina 138 are finished from a total number of 259 platforms planned. The construction of the remaining platforms and reparation of the office has stopped due to very cold temperatures and snow. More than 50% of the office reparation had already been completed.



Procurement of the equipment

The companies were selected and the contracts were signed for equipment procurement. Soldanesti municipality has already received the containers of different sizes. All the containers are in Soldanesti but later will be distributed between LPAs and located at the platforms.

In a short time all other equipment should be delivered to Soldanesti.

Improving the management of the public service

From October until December 2012 three meetings were organized to tackle the subject

of the future structure that will be most appropriate to the service provider structure. The meeting was attended by the representatives of the LPAs. The meetings took place in Soldanesti and in Floresti Rayons. At the moment GIZ is preparing a draft of the future structure, which should be discussed in the framework of established working groups for the institutional and legal aspects using IMC approach. In order to establish the service, there is a need to have agreements for IMC from all the localities involved.

Planning, Monitoring and Management

In this period of time, GIZ Moldova, together with the SLE team of junior advisors from Humboldt University Germany planned several activities in the sector of SWM especially for the process of actualization of the SEDS for the three Rayons: Floresti, Soldanesti and Rezina. GIZ with CALM, RDA Center, and RDA North prepared and conducted all activities jointly at the local level in the three Rayons. The SLE team facilitated the actualization process of SEDS using the experience from the previous time in the water sector.

After several meetings and workshops the SLE team prepared a report with recommendation for how to prepare for the process of actualization of the SEDS in the SWM sector. The last wrap up meeting took place on October 24, 2012. The draft of the report was prepared and now is in the process of finalizing the document. The next steps will be done by GIZ experts with support of local and international environment experts.

Lessons Learned:

Planning, monitoring and management

Working sessions with the main stakeholders were organized. Working sessions with representatives of MRDC, Ministry of Environment, State Ecologic Inspectorate and Territorial Agency of the State Ecologic Inspectorate, State Service for Verification and Expertise in Construction, RDA Center, LPA Soldanesti took place, in which the challenges of the pilot-project were discussed.

Plan for the next three months:

Physical investments

- Preparation of the extended phase I of construction of the sanitary landfill in the technical drawings;
- Finalization of the technical drawings for recycling yard in Floresti. Then the technical drawings will be submitted for approval to the State Ecologic Inspectorate and the State Service for Verification and Expertise in Construction;
- Selection of the companies through tender process for the elaboration of the technical drawings for the Floresti transfer station and for the Cotiujenii Mari (Soldanesti) transfer station;
- Preparation of the necessary tender documents for the construction of the recycle yard in Soldanesti;
- Finalization of the construction work for the 474 platforms in three Rayons: Floresti, Soldanesti and Rezina;

- Finalization of the reparation of the office for ME Regia Apa Soldanesti.

Improving the management of the public service

- Conducting the Feasibility study in the three Rayons for the SWM sector;
- Conducting Baseline through IMC working groups for the SWM area in Floresti, Soldanesti and Rezina Rayons;
- Facilitation and Conducting the working group in the IMC approach for the economical / technical aspects and for the legal / institutional aspects to decide which company will provide service in the SWM sector;
- Preparation of all necessary agreements / contracts for the SWM service provider;
- Launch of the Information and Awareness Campaign in the SWM sector for Floresti, Soldanesti and Rezina.

Planning, monitoring and management

- Facilitation of the working groups for the SEDS updating team from the three Rayons;
- Submitting the archived results from the SLE team to the expert for checking and elaboration of the recommendations for the SEDS actualization team in each Rayon;
- Conducting the process of actualization of the SEDS by experts for the three Rayons.

3.4. Energy Efficiency and Renewable Energy Sources: “Energy Efficiency Improvement of Orhei City Hospital

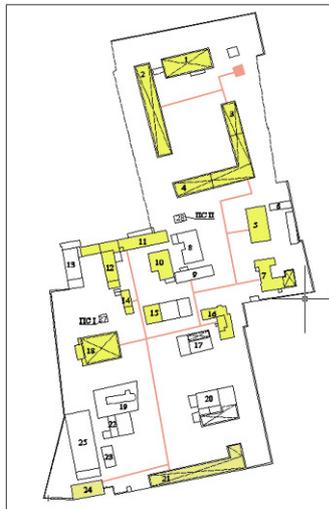
Brief Project Description:

The project aims to increase the energy efficiency of the district hospital in Orhei. Three other districts benefit from these hospital services, thus it can be considered the regional level institution.

Achievements:

Physical investments

Changing of external windows of the Prenatal Centre (maternity block of buildings) of Orhei Regional Hospital



Monitoring System

According to the elaborated concept the monitoring system should cover the following streams:

- Natural gas: gas consumption 2011: 3,093 MWh;
- Electricity: electricity consumption 2011: 856 MWh;
- Water: fresh water consumption 2011: 30,459 m³;

During the period October-December, 2012 the process was initiated for the signing the final acceptance and transferring of the object to the beneficiary – Orhei District Council.

Installing the Smart Energy

- Heat energy supplied to buildings (via district heating system).

The overall monitoring system should be designed to automatically read meter data (at least yearly, monthly, daily, hourly values for analyzing load profiles) and transferring those values to the workstation of the monitoring system via a wireless data transfer system.

The total cost estimation is about 67,000 Euros from which 20,000 Euros were allocated from additional funds.

In the above mentioned period the tender documents including the technical requirements were finalized. The tender will be launched through the Public Procurement Agency.

Measures to be implemented from additional allocated funds

On September 20, 2012 the Amendment of the Financing Agreement and the Special Agreement dated October 14, 2011 were signed. The financial contribution (as a grant) will be used exclusively for:

- 1) Implementation of a smart energy monitoring system in Orhei Regional Hospital;
- 2) Thermal Insulation of the Therapy and Paediatrics buildings;
- 3) Renovation of internal building networks for hot and cold water supply as well as sewerage system in the Paediatrics building;
- 4) Renovation and modernization of the electrical outdoor illumination system at Orhei Regional Hospital;

- 5) Replacment of windows and doors in the Therapy block of buildings at Orhei Regional Hospital;
- 6) Installation of three Individual heating substations in the buildings at Orhei Regional Hospital.

The total additional sum allocated for Orhei Hospital are 394,500 Euros which includes 20,000 Euros for the Smart Energy Monitoring System. This sum also includes the sum from the first agreement (104,490.00 Euros). The additional 290,010.00 Euros were allocated for the physical investment at Orhei Regional Hospital.

Because of the limited financial sources two measures (subprojects) were cancelled: a) Thermal Insulation of the Paediatry building, and b) Installation of three individual heating substations in the buildings at Orhei Regional Hospital. The development of the tender documents, including the needed technical specifications for the excluded measures, need to be finalized. The information on the status of the additional subprojects is presented below:

a) thermal insulation of the therapy building (acquisition of works)

The company Rodaris Pro SRL was contracted on December 13, 2012 at a contract sum of 1,789,322.31 MDL. On December 14, 2012 the company started the work. The advance payment was made of a sum of 357,864.46MDL (20% according to the contract).

b) installation of energy-efficient windows for therapy building (acquisition of works)

The company FerMod Plast SRL Pro was contracted on December 13, 2012 in the sum of 629,500.00 MDL. On December 17, 2012 the company started the work. Advance payment was made on December 21, 2012 in the sum of 171,361.00 MDL (20% according to the contract).

c) renovation of internal building networks for hot and cold water supply and sewerage system for the Paediatry building – WS for the Paediatry building (acquisition of works)

The company AlexDan SRL was contracted on November 19, 2012 for the sum of 856,805.00 MDL. On December 12, 2012 the company started the work. The advance payment in the sum of 125,900.00 MDL was made on December 12, 2012 (20% according to the contract).

d) renovation of outdoor lighting system to an energy efficient system (acquisition of works)

This subproject is in the final stage of the preparation of tender documents.

At present, there are 3 contracts in force at a total sum of 3,275,627.31 MDL or 207,318.18 Euros.

Also, for the implementation of the above mentioned subproject there were services of a third party contracted (site supervision services):

- a) Technical supervisor for the for the Paediatry building;
- b) Project design supervision by the project design author for the WSS in the Paediatry building;
- c) Technical supervisor for thermal insulation of the therapy building;
- d) Technical supervisor for the installation of energy-efficient windows for therapy building.

The total sum of the services is 32,300.00 MDL or 2,044.30 Euros. It is foreseen that additional expertise for the Installing of the Smart Energy Monitoring System will be contracted.

Improving the management of the public service

On October 18, 2012 the hospital was visited by an international GIZ consultant, expert in the construction field. The expert examined the buildings already renovated (maternity ward) and those not yet renovated (therapy and paediatric wards), then made a set of recommendations for improving the quality of work that will help achieve the established goal of improving the energy efficiency at Orhei Regional Hospital.

Therapy ward

Current situation:

- Radiators have been installed in this building. They are connected to a new boiler house which is supposed to supply heating for the whole hospital complex;
- Tender process for insulation has started;
- Tender process for new windows has started;
- The general hospital concept foresees in this building a surgery department in this building. For this part of the building a special ventilation system has to be provided. The existing ventilation system cannot be reactivated due to hygienic issues.

Issues:

- No concept so far for an integrated approach to the building envelope;
- No concept or tender documents for insulating roof / upper ceiling;
- No tender documents for demolishing add-ons to buildings;
- No concept / details for avoiding heat bridges;

- No concept / details / tender documents for insulating basement;
- Tender documents do not have correct details for installation of windows.

Possible solutions / actions to be taken:

- New tender documents for demolishing add-ons;
- New tender documents for insulating the upper ceiling (technical floor) or roof;
- Addendum to existing window tender documents with correct details how to fix the windows and the correct position in the walls. Common description which should be part of the tender and preliminary notes for installing windows;
- An overall concept to be part of all tender documents.

Paediatric ward

Current situation

- The building concept of this building complex consists of an access balcony that cannot be demolished without major changes to the inside and function of the building;
- Tender process for heating, ventilation and sanitation is underway;
- Windows were recently renewed but not installed correctly. No precautions for air tightness and avoidance of heat bridges were taken.

Issues

- Access balconies cannot be insulated in a technically satisfying way and will be a source of future heat bridges, dampness problems which create fungus attacks on the walls;

- No concept so far for an integrated approach of the building envelope;
- No concept or tender documents for insulating roof / upper ceiling;
- No tender documents for demolishing add-ons to buildings;
- No concept / details for avoidance of heat bridges;
- No concept / details / tender documents for insulating basement.

Possible solutions / actions to be taken:

- Since access balconies cannot be insulated in a technically correct way, a tender for a curtain wall facade system should be considered to create a protected climate in the balconies. This curtain wall could possibly be grounded on the existing foundation (to be verified). Upper part of the curtain wall should contain windows that can be opened for ventilation in summer time. The curtain wall protects the access balconies in winter from direct contact to outside climate and thereby reduces the possibility of heat bridges;
- New tender documents for demolishing add-ons;
- New tender documents for insulating the upper ceiling (technical floor) or roof;
- An overall concept for the insulation of the building envelope to be part of all tender documents.

As a result of the GIZ building expert recommendations, consultations with the local building expert and with the beneficiaries, it was decided that for the Paediatrics building there is a need to elaborate the concept for the insulation of the balconies. At the moment of reporting the draft concept

was elaborated and it was transmitted for consultation to the construction department of GIZ central office in Eschborn.

Lessons Learned:

The following measures/ interventions were implemented with delays:

1) **installing the smart energy monitoring system in Orhei Regional Hospital.** The public acquisition is to be launched soon. The delay happened because of the changes in September of the local legislation for the public procurement and because of the time needed to finalize the technical requirements.

2) **thermal insulation of the therapy building.** The public procurement for these interventions was repeated. Also, following the recommendation of the GIZ building expert, the thickness of the mineral wool was increased from 8 cm to 10 cm.

3) **installation of energy-efficient windows for therapy building.** The tender procedure had delays because of the time needed for the clarification of the offers from the bidders. Finally, the company was selected that offered the best U-value for the PVC windows (1,42 W / (°K m²)).

The lessons learned are the following: well prepared tender documents are needed, especially with technical requirements (specifications) included. Qualified expertise is needed and sometimes is difficult to find in a short period of time. Therefore, the preparation of the required documents needs to be done in advance (minimum 6 months).

Plan for the next three months:

Physical investments

Changing the external windows of the Prenatal Center

- Development of the property transfer contract;
- Transfer of the property.

Installing the Smart Energy Monitoring System

- Finalizing the tender book for hiring a company to install the meters. Signing the contract with the company chosen. Starting the installation work;
- Contracting the technical supervisor for installation work of the energy monitoring system in Orhei Regional Hospital;
- Contracting a short term expert (the back-stopper) for verification and quality control of the energy monitoring system in Orhei Regional Hospital.

Measures to be implemented from additional allocated funds

Installation of 3 heating substations:

- Finalization of the tender documents (this measure will be implemented with the availability of finances).

Thermal insulation of the therapy building:

- Finalization of the work;
- Final reception of work.

Installation of energy-efficient windows for therapy building:

- Finalization of the work;
- Final reception of work.

Renovation of internal building networks for hot and cold water supply and sewerage system for the Paediatry building – WS for the Paediatry building:

- Finalization of the work;
- Final reception of work.

Renovation of outdoor lighting system with energy efficient system:

- Finalization of the tender documents;
- Conducting the public procurement;
- Finalization of the work.

Improving the management of the public service

- Preparation and conducting of the workshop “Energy Efficiency in Hospitals - Exchange of Experience,” a presentation of the Smart Energy Monitoring System, and results presented at a public event;
- Preparation and carrying out the study visit to a successfully implemented project site in energy efficiency field related to Orhei Regional Hospital;
- Contracting company / NGO / consultants for the elaboration of the informational materials. Development of the design for the informational and awareness materials.

Planning, monitoring and management

- Development of energy efficiency management plan, complete with developed concept for Orhei Regional Hospital;
- Facilitation of the Steering Committee for project implementation activity: organizing the project coordination meetings, preparation and logistics.

3.5. Energy Efficiency and Renewable Energy Sources: “Energy Efficient Street Illumination System in Tatarauca Veche Community”

Brief Project Description:

The project envisions installation of a street illumination system on the main streets and public institution buildings in each of the six villages in Tatarauca Veche commune. About 2,200 inhabitants will benefit from this project.

Achievements:

Physical investments

During this report period, according to the technical project “Street illumination System in Tatarauca Veche Community, Soroca Rayon” and according to the budget established under the Financing Agreement signed between GIZ, MRDC and RDA North worth 50,000 Euros, or approximately 800,000 MDL, SRL “SARCO-SERVICE” executed construction work for the installation of street lighting networks, installed street lamps with LED technology and installed electricity panels of power and control for street light system.

The length of street lighting networks, as well as the number of lamps to be installed for each village, were discussed during the meetings with the mayor of Tatarauca Veche community, local councillors and inhabitants of these localities.

The meetings resulted in a decision to execute the following works:

in the village of Tatarauca Veche:
street light networks – 1.43 km, street light lamps – 30 units, electricity panels for power and control – 3 units;

in the village of Tatarauca Noua:
street light networks – 0.88 km, street light lamps – 20 units, electricity panels for power and control – 2 units;

in the village of Slobozia Noua:
street light networks – 0.6km, street light lamps – 18 units, electricity panels for power and control – 1 unit;

in the village of Niorcani:
street light networks – 1.12km, street light lamps – 26 units, electricity panels for power and control – 3 units;

in the village of Tolocanesti:
street light networks – 0.4km, street light lamps – 11 units, electricity panels for power and control – 1 unit;

in the village of Decebal:
street light networks – 0.255km, street light lamps – 8 units, electricity panels for power and control – 1 unit.



The construction and installation work for the street light networks and the installation of the street lighting lamps were finished under budget. In order to begin function of the street lighting networks, electrical diagrams

were elaborated and electrical measurements were done. Based on these documents, on October 12, 2012, the State Energy Inspectorate issued the documents for beginning the use of these electrical installations. According to these documents, SA "RED Nod Vest" signed the supply of electricity Contract with the mayor of Tatarauca Veche community.

In November 2012, the tender book with technical specifications was prepared and developed for announcement. Also, the tender for the selection of the company for execution and extension of construction works and installation of street lighting networks was organized according to the specifics of the technical project. The proposals for quality parameters suggested from Agency for Energy of Efficiency were included in the technical specifications.

The tender for the selection of the company for extension and execution of construction works and installation of the street lighting networks was held on December 05, 2012. The winner of the tender, which satisfied the conditions specified in the tender book, was "SRL SARCO-SERVICE" from Chisinau. The contract of works was signed on December 10, 2012. The construction and installation of the street light networks and installation of the street lighting lamps was launched and are now in the implementation phase.

Improving the management of the public service

Tatarauca Veche LPA founded and registered the Municipal Enterprise "TATARAUCA-SERVICE", based on both the Legal Assistance Report in identifying the optimal institutionalization of efficient street lighting service in Tatarauca Veche, as well as on the local council decision. Since the registration,

the ME "TATARAUCA-SERVICE" has not managed to fully operate or produce income.

The mayor of Tatarauca Veche asked GIZ to provide support by hiring experts or a consulting company to develop a 3-5 year business plan for the ME "TATARAUCA-SERVICE". This 3-5 year plan could allow this municipal enterprise to work, to have income sources, to cover all expenses and generate a positive balance. During this report period the Terms of Reference for hiring a consulting company and an international expert in developing a business plan for a period of 3-5 years were developed and established. The Business plan which needs to be developed will be based on a possible inter-municipal cooperation and serve as a model for newly founded municipal enterprises providing public services.

The estimated costs for the reparation of ME "TATARAUCA-SERVICE" premises was developed, verified by the Projects and Construction Expertise and Verification Service of the Ministry of Regional Development and Construction. The tender for the selection of the company that will execute construction works for rehabilitation of the office of the service provider was held on October 22, 2012. The winner of the tender, which satisfied the conditions specified in the tender book for the execution of work for rehabilitation of the office of municipal enterprises, was SRL "Nicsir-Flor" from Floresti. The contract for work was signed on November 26, 2012.

During October 2012, in the interest of improving the technical capacity of the service provider in the territory, ME "TATARAUCA-

SERVICE", prepared a tender book with the technical specifications for the procurement of an excavator charger. On October 31, 2012, the tender selection for the company to deliver the excavator charger was held. The winner for delivery of the excavator charger, which satisfied the conditions specified in the tender book, was SRL "East-Auto-Lada" from Chisinau. The contract for delivery was signed on November 1st, 2012. On December 13, 2012, the act of delivery-reception was signed. The excavator charger was delivered to the mayor of Tatarauca Veche community.



Planning, Monitoring and Management

Improving knowledge and informing the inhabitants are the main purposes of the project under implementation, as stated in the Terms of Reference. A provider of services was selected for organizing information and an awareness campaign for users of street lighting service in the Tatarauca Veche community, Rayon Soroca, as a result of the launched project "Energy efficient street illumination system in Tatarauca Veche community". The winner was the Regional Contact Centre – Balti. The Campaign focused on several target groups. Common people of all ages of the Tatarauca Veche commune, pupils and teachers from "Eva Gudumac" secondary school, economic agents operating

in the territory, public servants and employees of public institutions comprise the groups.

During the information and awareness campaigns around 1,200 inhabitants of the community of Tatarauca Veche were informed; 16 information stands in the 6 villages of the community were installed. During the "**door to door**" campaign, with the help of pupils of "Eva Gudumac" gymnasium, about 1000 leaflets were distributed and 6 public hearings were organized.



This was done to improve citizens' knowledge and to guide LPAs in the organizing a sustainable connection to street lighting services in rural areas of Moldova. The Terms of Reference were elaborated for the purpose of selecting a provider service to develop and produce a short film about the efficient street lighting in rural areas of Moldova. STUDIO MEDIA ART company was selected to develop the film.

Lessons Learned:

Physical investments

Implementation of the project "Energy efficient street illumination system in Tatarauca Veche community" has revealed aspects upon which the fate of street lighting networks in rural areas of Moldova depends. The majority rural areas of Moldova have street lighting networks that are a part of the electricity distribution networks and are executed jointly (on pillars and common console). The Street lighting networks have

not been operated or maintained for a long time because of a lack of financial resources both from the company of electricity distribution in the territory (RED's) as well as from the LPA. This has led to deterioration of networks.

No preliminary studies were done in the localities which found different solutions to promote their image. Some have restored the old networks, others have invested public or grants funds, but all without taking into account the energy consumption, the monthly fees for supply and the maintenance costs. Municipalities that have invested in the construction of street lighting networks (usually these networks are suspended in along with distribution networks on the same pillars), have found the electricity distribution companies (RED) of the territory charge rent for pillars, whether or not these networks are functional. The technical projects need to be coordinated with the technical services of the REDs in the territory before beginning the construction of street lighting networks. Currently REDs impose fees on the LPA to pay for work to strengthen their distribution networks. Usually these works consist of replacing the damaged pillars. At the same time municipalities are paying the distribution companies to maintain the street lighting networks. In most cases the rent payments for pillars and maintenance are comparable to the cost of the consumed energy.

At present the budget of few rural municipalities allows for rehabilitation of the street lighting networks because these costs are quite high. In cases where the municipalities have the municipal enterprises that will maintain street lighting networks, the technical personnel, are paid from the local enterprise's budget.

A possible solution:

- REDs should rehabilitate the street lighting networks and reconstruct the

distribution networks in rural areas. This is technically possible. The rural municipalities do not have the financial or technical possibilities. Construction and maintenance costs will be reduced considerably while the reliability will increase. Therefore it is necessary that the legislation in this domain be modified, and these costs be modified to include these costs in the electricity tariff.

- In cases where the LPA's rehabilitate or reconstruct / construct the street lighting networks with public funds, grants or projects, these improvements will not be charged to the electricity distribution companies in the territory (RED's), but the REDs will then maintain the networks and pay the tariff on the electricity. LPA will pay for light lamps, including the installation or exchange of them, plus the cost of electricity consumed.

Improving the management of the public service

In order to have a sustainable street lighting service in rural areas of the Republic of Moldova so the inhabitants can benefit from this service, it is necessary that street lighting networks be maintained and serviced by specialized technical personnel. And it is necessary that LPA's to have financial resources to pay for the electricity consumed by the street lighting system.

When municipalities do not have financial resources to pay for the electricity consumed, the local council could approve a local tax as a solution. This local tax would cover electricity consumption for the street light system. Based on this decision by the local council, REDs,

could modify legislation to include payment for household electricity consumption and electricity consumption of street lighting.

Planning, monitoring and management

Extensive collaboration with the mayor of a community better ensures regionalization of and provision of public services for creating inter-municipal enterprises, allowing the establishment of durable service, and the possibility of generating income by providing several services. Only through cooperation will the quality of provided services increase. The monitoring of quality should be performed jointly by the mayor, councillors and citizens. And larger service areas can result in lower maintenance costs.

Plan for the next three months:

Physical investments

During this period the extension of construction and installation works for street lighting networks in each locality of the community of Tatarauca are planned in accordance with the technical design and specifications in the volume of works and materials. The overall goal is completion of works.

Improving the management of the public service

- a) Contracting a company as well as local and international experts for preparation of the training module "Efficient street lighting in rural areas of Moldova";
- b) Contracting a company as well as local and international experts for drafting a practical guide to efficient street lighting in rural areas of Moldova;
- c) Contracting a company as well as local and international experts for drafting a Business Plan and a software for "TATARAUCA-SERVICE" ME;
- d) Preparing and conducting study visits to a successful project in the field of street lighting.

Planning, monitoring and management

To facilitate the Steering Committee of the project, the following activities will be carried out: organizing meetings for the coordination and monitoring of the project; monitoring and supervision of construction work; organizing work / installation; organizing assessment teams; contracting technical experts; training and logistics.

Chapter 4. Cross-Cutting Issues

This chapter of the Progress Report presents information on the project activities within the areas of the following cross-cutting issues: public property management, consulting assignments and staff recruitment, gender

equality, plus monitoring and evaluation. The following sub-chapters present the information on the progress during the reported period and the planned activities for the next three months.

4.1. Public Property Management

The GIZ project MLPS works towards developing conditions for effective and efficient local public service delivery. The management of the public assets is one of the key issues.

accordance with the regulations in force of the national system of coordinates MR99. This allowed recording the data on the network in the Functional Urban Cadastre, minimizing further risks of incorrect data or data loss.

Taking into account the need for capacity development of the local and regional actors, the GIZ project MLPS, together with MRDC, involved a group of experts to develop instructions for establishing property rights over the assets financed from the NFRD and other sources, including German and Romanian funds.

The concept on the training modules for LPAs specialists for registering service infrastructure networks was discussed and agreed with MRDC, ALRC and CALM at the end of the last year. Following these discussions the experts drafted the curriculum for the training sessions. All the training session will apply gender principles.

The technical assistance was offered to the Agency of Land Relations and Cadastre for developing the concept for registration of the engineering infrastructure plus regulation regarding the registry of the engineering infrastructure.

Planned activities for the next three months

A national Round Table was organized to coordinate the concept with national, regional and local actors. The Round Table took place on November 14th, 2012 and was attended by representatives of ALRC, APP, MRDC, RDAs, CALM, LPAs and development partners.

- The GIZ project MLPS will offer its assistance to the ALRC for developing a Guideline regarding the steps of registering and managing a public infrastructure;
- The GIZ project MLPS will offer its assistance and other support for organizing trainings for LPAs specialists on infrastructure network registration of Public Utilities in the Functional Urban Cadastre based on the developed guidelines;
- The GIZ project MLPS will mobilize international and national short term assistance to the ALRC for developing an information system for topographic-geodesic data.

Based on the recommendations of the national experts the topographic-geodesic surveys for the constructed water supply network in Rosu Village, Rayon Cahul, and constructed water supply and canalization network in Duruitoarea Veche, Costesti Commune, Rayon Riscani, were done in

4.2. Public Procurement

The GIZ project MLPS activities on public procurement refer to monitoring activities to fulfill the Financing Agreements and to the technical assistance and capacity development. In the report period, the GIZ project MLPS Public Procurement Action Team assisted the partners in performing public procurement activities. The information on the progress and achievements in these two areas is presented below.

Financing Agreements for the Pilot projects financed with the additional 3.6 million Euros.

- In October 2012, the Company SC “Rubin 216” SA was contracted for the renovation works within Apa-Canal Cahul offices. In November-December 2012 the company SC “Auto Present” delivered 2 pieces of specialized technical equipment for the Apa-Canal Cahul office. Both procurements were made as a result of the public procurement tender process organized by the RDA South with GIZ experts’ support;
 - In October-December 2012 the following companies were selected and contracts signed by the RDA Center in the Waste Management field:
 - SRL Eximotor for the procurement of trucks;
 - SRL ESC-Pur for the procurement of containers;
 - SRL Gradinariu Import Export for the procurement of compost equipment and bulldozer;
 - SRL Motor Star for the procurement of tractors and trailers;
 - SRL Flerixon, SRL PV Const Service, SRL IMVILPEX for the construction of platforms;
 - SA Protectia for refurbishing works;
 - In November 2012 RDA North signed a contract with SRL “Vocatie” for the installation works in Duruitoarea Veche;
 - The Financing Agreement for Tatarauca Veche was supplemented with additional 56,710.00 Euros for the procurement of specialized equipment for the Energy Efficiency Agency, Energy Inspections North, South, Center and Chamber of Commerce and Industry.
- In November-December 2012 RDA North signed the following contracts:
- SRL “Sarco-Service” for the street illumination in Tatarauca Veche;
 - SRL “East-Auto-Lada” for the procurement of equipment for the service provider in Tatarauca;
 - SRL “Nicsir-Flor” for the rehabilitation of the service provider in Tatarauca;
 - With regard to the Pilot Project in Orhei, the external windows and doors were replaced at the Perinatal Center in Orhei. The company “FerMod Plast” SRL was contracted by the RDA Center for the work;
 - At the end of December 2012 intermediary reports on all ongoing Financing Agreements were submitted to the GIZ Office in Eschborn and the second tranche of money was requested by the RDAs.
- Also, in December 2012 MRDC and GIZ signed a Financing Agreement for a total value of 4,930,000 Euros. The Agreement provides for the procurement of

specialized equipment, plus construction and renovation of facilities in different regions of Moldova. The final list of works to be performed shall be approved after feasibility studies are conducted.

Public Procurement Capacity Development

The GIZ project MLPS Public Procurement Action Team provides technical assistance and capacity development assisting the RDAs and LPAs in performing public procurement procedures. In the reported period the PP Action Team performed the following activities: Developed technical specifications and tender documents for the procurement of special equipment for service providers; Developed tender books and the tender documents for the procurement of construction and renovation works; Established five different Working Groups for five Pilot Projects consisting of representatives from MRDC, RDAs, LPAs, relevant sectors institutions such as Agency for Energy Efficiency, technical experts in the area of Solid Waste Management, Energy Efficiency and Water and Sanitation, representatives of GIZ project MLPS; Published the acquisition announcements on the RDA, MRDC sites and Logos Press.

The GIZ Public Procurement Action Team has worked jointly with the Public Procurement Agency on the preparation of the Public Procurement Guide Book for entrepreneurs. The first draft of the Guide Book was submitted to the GIZ project and the PP Action Team provided their comments.

The RDAs specialists for Public Procurement are trained by the specialist of the Agency for Public Procurement in how to use the Public Procurement electronic information system.

Planned activities for the next three months

The planned activities refer to continued technical assistance and capacity development measures towards the consolidation of RDAs and MRDC capacities in public procurement area such as:

- Providing technical assistance in the field of Public Procurement to the public procurement specialists of the MRDC and RDAs;
- Reviewing and consulting the Public Procurement processes of all projects funded by the GIZ project;
- Participation in the Public Procurement processes of the RDAs. In the coming months, the public procurement process in the RDA North, Center, and South is planned for use of the extra funds. Participation in the evaluation of bids, development of recommendations for evaluation, and selection of the best offer. Providing support in signing the contract with the tender winner for the project;
- Finalizing the Public Procurement Guide Book for entrepreneurs. Organizing the discussion session with members of Regional Development Councils North, South, Center and for the entrepreneurs (which participated in the public procurement of the RDAs) on the subject of the Public Procurement Guide Book and preparation of tender documents. Publication of the Public Procurement Guide Book for entrepreneurs;
- Organizing the regional training sessions for entrepreneurs on the subject of preparation of tender documents. Hand over the Public Procurement Guide Book to the entrepreneurs;
- Organizing specific needs driven trainings on public procurement and

financial management for Public Procurement specialists from MRDC and RDAs.

Apart from the above planned activities the Public Procurement Action Team will continue its technical assistance in the area of public procurement procedures for implementing the Financing Agreements in the Pilot Projects.

4.3. Gender Equality

Gender mainstreaming is a priority in the National Decentralisation Strategy and the GIZ project MLPS recognizes the broad scope of integrating a gender equality dimension into the planning, implementation and monitoring of its pilot projects. The GIZ project MLPS is currently in the process of updating its gender equality policy and developing a more systematic approach to gender mainstreaming in planning, implementation and monitoring of its project activities. For this purpose an external expert has been hired to critically evaluate the current status of gender considerations in the program and to provide recommendations and an action plan for a comprehensive gender mainstreaming process.

In performing the above mentioned tasks the short-term expert collaborates closely with the GIZ project MLPS team members. The process of adjusting the project interventions in a gender responsive manner is envisaged to take place over the period of October 2012-October 2013.

During the period October- December 2012 the external expert provided a training on general background in gender and development and specifically on gender analysis and gender mainstreaming for the

team of MLPS. Moreover a gender analysis in the form of an assessment of the current level of gender integration in MLPS has been conducted. The expert interviewed team members and external stakeholders to get a rounded picture of gender within the project as well to assess the general gender landscape in Moldova.

Planned activities for the next three months

- During the second mission in the first quarter of 2013, the external gender expert shall provide assistance in integrating gender and gender mainstreaming into the M&E framework;
- The external gender expert will agree on specific gender related activities focusing on intervention area one. In individual meetings and groups discussion entry points for the integration of gender shall be identified and a detailed action plan will be developed. By the end of the external expert's mission, a gender focal point will be identified and a reporting system on gender will be set up.

4.4. Monitoring and Evaluation

GIZ project MLPS is currently in the process of updating the existing M&E system in order to coherently integrate the monitoring of the Sida-funded second Intervention Area (Regional Planning and Programming). The officer responsible for the commission also to upgrade the existing M&E system in terms of methodology and adapt it to the new standards of the GIZ Results-Based Monitoring systems (RBM) for both Intervention Areas.

In order to facilitate this process, the structure of the M&E system within the GIZ project MLPS has been strengthened, an increased number of M&E related activities have been conducted and additional steps will be undertaken in the upcoming reporting period.

- From September 2012 until July 2013, two junior advisors on Monitoring and Evaluation are part of the MLPS team in Chisinau, each one focusing on one of the project Intervention Areas. A senior short-term expert from Germany supports them and is coming to Moldova for several missions. Together, the team is responsible for the above-mentioned integration and updating of the M&E system that shall be in operation by July 2013. The overall objective of the team is to adjust the project's M&E system in accordance with the GIZ principles and standards;
- With the support of an external Senior Expert on M&E the GIZ concept on the orientation towards results was presented in a two day workshop to the MLPS team and a first draft of the GIZ Results Model was elaborated. The GIZ Results Model serves as a basis for the M&E System of MLPS;
- In the last reporting period, the activities of the new M&E team have focused on finalizing the conceptual base (GIZ Results Model) of the updated internal M&E system. In October, the M&E Junior Advisors were joined by an expert on gender issues. One of the primary objectives of this short-term assignment was to coordinate the work team of the GIZ project MLPS on the gender equality. During her first mission to Moldova in October 2012, the expert assisted the M&E team in verifying the baseline data for monitoring the gender policy as an integral part of this task;
- Representatives of the MLPS partner institutions were introduced to the new logic of the GIZ Results-Based Monitoring by the M&E Junior Advisors at an organizational meeting prior to their study visit to Germany. This study visit took place in the beginning of November. During the study visit, the participants took part in a workshop on Results-Based Monitoring in the context of regional development which was led by the Senior Expert on M&E from Germany;
- In November, a second short-term mission of the senior M&E expert to Moldova took place in order to finalize the conceptual basis, i.e. a detailed Results Model of the RBM system within MLPS;
- Subsequently, the M&E Junior Advisors, assisted by the Senior Expert on M&E, prepared the Results Models for both Intervention Areas of the MLPS project in an Excel Logframe. A main purpose of having such a monitoring file is to better structure future monitoring activities;
- At the end of November, the M&E Junior Advisors presented the process and the current state of adjusting the

RBM System within the MLPS project to the partners. At the same time, this meeting served as a preparation for the Annual Activity Planning 2013 to illustrate adequately the traditional desired link between activity planning and M&E;

- On partner's request for support to improve their M&E systems a first draft for Terms of Reference have been elaborated for further discussions with the partners.

Planned activities for the next three months

- In the first three months of 2013, the newly adjusted RBM System will be tested. Accordingly, finalized Logframes will be introduced to the entire MLPS team and fine-tuned with individual activity and operational plans;

- During this M&E testing period, baseline planning will be finalized for both Intervention Areas, taking into account gender equality aspects that will be incorporated in the RBM system;
- By March 2013, the first monitoring data will be entered into the Logframes by the M&E Junior Advisors. The Logframe of each Intervention Area is based on quarterly internal and external monitoring, including 7 monitoring periods until the project end in December 2014;
- Based on the Logframe data, a first internal monitoring session will take place where the GIZ project MLPS team will be able to discuss progress and challenges of the project implementation in a more structured way.

4.5. Consulting assignments and staff recruitment

Following the extension of project activities, two additional staff members have been employed under the GIZ project MLSP; Vera Novic as an Accountant / Office Manager and Andrei Zapanovici as a Legal / Administrative Specialist.

Under the Consulting Consortium assignment there were five short-term international

experts and eight short term national experts working within the Intervention Area 1 and seven short-term international experts and fifteen local short-term experts working within the Intervention Area 2 on different projects between October and December 2012.

II. CAPACITY DEVELOPMENT FOR REGIONAL AND CROSS-BORDER COOPERATION IN THE REPUBLIC OF MOLDOVA

Brief Project Description

The project "Capacity Development for Regional and Cross-Border Cooperation in the Republic of Moldova" is primarily oriented towards improving the capacities and competencies of the local and regional public authorities, organizations from the Northern Development Region of Moldova and the Ministry of Regional Development and Construction.

This technical support is aimed at increasing these partner institutions' and organizations' conceptual understanding of Regional Development within Moldova and in South-Eastern Europe. It also aims at increasing technical and administrative capacity in the preparation and effective use of support financed by the EU's Cross-Border Cooperation and Trans-National Cooperation programs, as well as the Moldovan National Fund for Regional Development.

Currently, there is insufficient experience in developing and implementing investment and capacity development projects in Moldova. The number of consulting companies with such experience is limited. Therefore, cooperation with the LPA and newly created regional structures is under-developed, causing a gap between the LPA development needs and corresponding activities. The

budgets of national and / or international development programs are increasing substantially year by year; (EU CBC / TNC Programs financed under the EU-Cohesion Policy and the European Neighborhood Partnership Instrument (ENPI) in the current financing period 2007- 2013). Further increases can be expected in 2014. The limited capacities of local and regional structures and the insufficient absorption capacity of the LPAs lead to a high number of lost opportunities. There is urgent need to improve the quality of activities in the existent institutions in order to increase the possibilities and potential of the EU CBC TNC and national programs which are implemented in Moldova. Improvement is also needed in the requirements regarding policy, administration and civil society in the regions. The Moldovan regional and local level administrative capacities are not satisfactory for the realization of the defined goals and objectives. Strategic use of the available funds for local and regional development measures in the target region(s) is an essential aspect of the project.

The purpose of the project "Capacity Development for Regional and Cross-border Cooperation in the Republic of Moldova" is to

improve the capacities in regional development and competencies of the regional and local public authorities, the private sector and civil society organizations from the Northern Development Region of Moldova. Just as important is the preparation and effective cooperation between the different stakeholders, Central Government and potential cooperation partners in neighboring countries.

The project refers to two components:

- Technical assistance to the North development region for project identification and preparation, as well as participation in CPP;
- Technical support to MRDC for short-term specific requests.

Achievements in the Reporting Period

Development needs assessment

In the period of November 5-9, 2012, the training module for a Moldavian delegation in Bavaria, Germany was organized. The delegation mainly consists of representatives from the main partner institutions of Moldova, namely the Ministry of Regional Development and Construction and its three Regional Development Agencies, the State Chancellery and the Academy of Public Administration, as well as staff from the project itself.

The overall goal of the training module was to contribute to the regional development in the Republic of Moldova in order to strengthen and support the efficient provision of affordable and quality public services to citizens and to ensure the institutional and

Objectives:

- Strengthen capacities of local participants in the regional development concept and Cross-Border Cooperation;
- Contribute to the establishment of partnerships and develop cooperation on local, regional, national, cross-border and transnational level;
- Improve the competencies of Moldovan organizations to identify, formulate and implement regional projects;
- Identify and develop key projects for the region;
- Promote the EU programs in the region.

professional capacities needed. The training module was planned to focus on the following major topics:

- Strategic planning in the context of regional rural development;
- Communication processes of the involved stakeholders;
- Different organizational forms and set-ups for Inter-Municipal Cooperation;
- Multi-level approach and subsidiary in local / regional development;
- Horizontal and vertical networking and partnerships;
- Project management, monitoring and evaluation mechanisms for regional development.

Special emphasis was placed on facilitating the discussion and reflections of the participants regarding their specific regional background and on learning lessons from the success factors of the German visit experiences.

In accordance with the action plan of the MoU signed by MRDC, APA and GIZ it has been decided that adjusted training courses have to be tested in 2012. The rough timing for the piloting of the course is presented in the following table:

Activity	Period
Pilot the curriculum and training modules with trainers (ToT)	I part: 2.10.12 – 4.10.12 II part: 11.10.12 – 12.10.12 III part: 15.10.12 – 16.10.12
Pilot testing of the training course with LPAs	Module 1 “Strategic Integrated Planning at the regional and local level”: 29.10.12 – 2.11.12 Module 2 “Project Management and Elaboration”: 26.11.12 – 30.11.12

The pilot of both modules has been successful and participants left both modules with a high degree of satisfaction and interest in the opportunity to continue such professional development programs in the future. The pilot phase has also been unique for the trainers. This program brought together trainers from Academy of Public Administration, Ministry of Regional Development and Construction, and Regional Development Agencies. It was a great blend of theory and practice, with a good balance between different approaches.

For following aspects are crucial to be reviewed and considered for the future programs:

- **Number of trainers involved:** for the future, it is good to have a core team of 5 trainers maximum who are fully responsible for the implementation of a module or more, and who are fully confident in working with each other.

- **Materials used for the training purposes:** participants acknowledged the need for materials, both printed and in electronic form. Up until this training, the Academy of Public Administration was providing participants with printed copies of power point presentations. As part of this pilot, 2 new concepts were introduced: Facilitators’ Guidebook and Participants’ Guidebook. From both participants and trainers evaluations, it turned out that the proposed materials were useful and that this practice should be integrated into the on-going process at the Academy whenever possible.

- **Methodology of the training programs:** any training for adults should be based on adult learning principles, on learner-centered approaches, so that participants in the

training feel rewarded, encouraged and supported. Open discussions and interactions will contribute enormously to influencing and changing the thinking patterns of Moldovan Local Administration representatives. Today, it is a must to have local leaders with different views and approaches for local development, and for that they need to be trained and supported in a new way / format. Both modules were learner-centric, and did create a positive context for interaction and exchange of views. This has to continue in the same manner with any program or training at the Academy. This is one of the key factors that will influence and impact the quality of the graduates and their performance at the local level.

- **Diversification of the daily evaluation process by the program participants:** it is crucial to evaluate day by day the understanding, impressions and feelings of the participants. This can, on one hand, help improve the next immediate actions, and on the other hand, help participants reflect on their own learning, their own understanding of the context, the way they see the issues, the way they can address the challenges at the local level, etc. It is important to create context for participants to reflect on the way they do things, and on how they can improve and excel as local public administrators.

Next steps in the context of the initiative:

1. Finalization of curriculum document for the program;

2. Finalization of the Participant's Guidebook for Module 1 and Module 2;
3. Finalization of the Facilitator's Guidebook for Module 1 and Module 2.

Support for the implementation of the EUSDR

In the reporting period, the support provided to the MRDC on the coordination and implementation of the Danube Strategy concerned *four main areas*:

1. Strengthening the communication within the national platform on the Danube Strategy and stakeholders

In this sense the information on the web page of the Ministry of Regional Development and Constructions regarding the EUSDR was updated. The information that was added contained the latest updates regarding the meetings of the inter-institutional working group of the Danube Strategy, as well as the information regarding the implementation of the Strategy.

Moreover, in order to maintain the liaison and efficient communication in the process of the Danube Strategy implementation, regular meetings with the national coordinator of the EUSDR were organized. During these meetings the dynamics of the implementation process and participation in the EUSDR events were discussed and further events within the national platform on the EUSDR were planned.

Another important achievement in the reporting period is the meeting with the representatives of the Danube Competence Center, where it was revealed that this entity works on the elaboration of a tourism web portal for the Danube Region. During their visit in Chisinau the possibility was discussed to cooperate closely with the representative

of the priority area expert on the PA3 in the Republic of Moldova. Moreover, the necessity was highlighted to explore the possibility to find financial support to cover expenses related to the participation in the Steering Group Meetings of the Danube Strategy. Emails and phone calls that facilitated the cooperation and contacts between the parties were made. The representatives of the Tourism Agency that coordinates the Priority Area (PA) 3 of the Danube Strategy have contacted the DCC members and exchanged information pertaining to the web portal.

Additionally, a meeting with the representative of the State Chancellery that coordinates the Danube Strategy at the macro-regional level was organized. During that meeting the following subjects were discussed:

- Participation in the First Annual Forum on EUSDR;
- The names of the Prime Minister's advisors that should be included to discuss the implementation of the Danube Strategy;
- Importance of gaining political support for the implementation of the Strategy;
- Future prospects for the EUSDR implementation in the Republic of Moldova.

2. Enhancing the coordination of the Danube Strategy in the Republic of Moldova

In the reporting period a letter was prepared and sent to the Prime Minister requesting the formation of the EUSDR unit. After consultations with the national coordinator and the Minister of the Regional Development of Construction, it was decided that a new letter to the Prime Minister should be sent to ask for consideration of the possibility to

create an entity within the MRDC that would work solely on the implementation of the Danube Strategy.

Also, the eighth meeting of the inter-institutional working group responsible for the implementation of the EUSDR was organized in November. From that the invitation letters, phone calls, agenda setting and other technical details were realized. The main subjects of the gathering related to the participation of the national coordinator to the First Annual Forum of the EUSDR that took place in Regensburg, Germany on 27 – 28 November as well as the preparation of activities for the year 2013.

Moreover, to explore additional sources of support, the areas of intervention were outlined for Romanian assistance to the EUSDR implementation in the Republic of Moldova. The representatives of the Romanian diplomacy have shown the willingness to support and exchange best practices and know-how on the implementation of the EUSDR. A concept paper was prepared outlining main areas of intervention that require support from the Romanian counterpart.

Another important achievement that enhanced the political support for the coordination of the Danube Strategy came about because of the meeting with the advisor of the Prime Minister. During that meeting the possibility was outlined to create the EUSDR office within the MRDC, and future prospects of the Danube Strategy in the Republic of Moldova.

3. Elaboration of strategic documents for international events within the Danube Strategy

In order to improve the participation of the national coordinator at the informal meeting of the Ministries of the Danube Region countries in St. Polten, Austria, a position paper was prepared revealing main priorities for the Republic of Moldova within the Danube Strategy, main difficulties encountered in the implementation process, as well as comprehensive recommendations that would enhance the participation of the Republic of Moldova. The position paper was presented during the meeting in St. Polten by the national coordinator, with the representatives of the European Commission and EUSDR members participating.

Before the informal meeting in St. Polten, the organizers had sent a draft Joint Statement to collect inputs and comments before the event. Thus, an analysis accompanied with recommendations aiming to consolidate the position of the Republic of Moldova was provided. The recommendations outlined the necessity for increased support and access to the European Commission's financial mechanisms.

Another area of intervention concerned the preparation of the position paper of the Republic of Moldova for the Annual Forum of the EUSDR. The European Commission sent a Reflection Paper containing questions that should be answered by the national coordinator during the meeting in Regensburg. Comprehensive answers to the inquiries from the Reflection Paper were prepared. A position paper outlining main proposals of the Republic of Moldova to the Danube Strategy was prepared in order to have a consolidated position for the First Annual Forum on the Danube Strategy.

4. Assistance in preparing for the Steering Group meetings and First Annual Forum on the EUSDR

The representative of the Ministry of Economy delegated in the inter-institutional working group on the implementation of the Danube Strategy requested support in preparing for the Steering Group Meeting on priority 8. The relevant information and assistance was provided concerning:

- The preparation of a comprehensive presentation on the EUSDR;
- The collection of the relevant documents relating to priority 8.

The assistance provided ensured efficient participation at the Danube Strategy Steering Group meeting in Vienna.

For participation in international events, the participation of the delegation from the MRDC to the Annual Forum of the EUSDR was organized. The Annual Forum on the EUSDR is one of the most important events of the year 2012 that relates to the Danube Strategy. In order to prepare the technicalities for the visit of the national coordinator and the head of the international relations division to Regensburg, the necessary preparations were made.

Also, in the reporting period, assistance was provided to the Ministry of Foreign Affairs and European Integration for the participation in the Brussels Danube Network Meeting. The Ministry of Foreign Affairs delegated participants for the Brussels Danube Network Meeting that took place in Brussels on November 8, 2012. At the request of this institution and the Ministry of Regional Development and Constructions, a comprehensive volume of information was prepared on the implementation of the

Danube Strategy in the Republic of Moldova to facilitate the participation of the Moldovan delegation to this event.

Support for the Branch Office CBC Chisinau in implementation activities

During the reporting period a range of activities have been implemented by the Branch Office experts:

- I. Next programming period 2014-2020
 - *Draft the Governmental Decision regarding the creation of the National Working Group for the elaboration of the ENI CBC Programs for the period 2014-2020. Draft the Regulations of the Working Group*

A draft Government Decision to establish the National Working Group for the exercise and the Regulations (Rules of procedure) has been drafted by the Branch Office experts. The Working Group (WG) encompasses members of the national central authorities that will be involved in the designing and further implementation of the CBC ENI Programs and representatives of the donor community (namely the GIZ Office in Moldova as supporting partner and of the EU Delegation in Moldova as program donor). The activity of the WG will start in 2013, immediately after the approval of the main programming document (Programming Guidelines to be drafted by the INTERACT Project).

- *Elaboration of the proposals regarding the priorities for the next programming period 2014-2020.*

In accordance with the European Union, the consultations have been launched with the national authorities of the beneficiary

countries on the border cooperation programs for the next programming cycle, 2014-2020. Each country will submit a reasoned position on the priorities for these programs so the discussions and subsequent negotiations can take place to reach a compromise between governments and the European Commission.

To identify the priorities for the future Cross-Border Cooperation programs, the following documents have been analysed and will be the basis for formulating the position of Moldova negotiation officers:

- National Strategy 2020;
- National Regional Development Strategy and Regional Development Strategies for the North, Center, South.

It is important to note that North and Center strategies have recently been developed and are at the stage of public consultations. However, the strategic priorities for the North, South, Center Regions reflect similar needs

- *Elaboration of a guide on the implementation of the shared management principle: assessment of the national system in the Republic of Moldova*

As a result of consultations held by the European Commission services with the stakeholders of the CBC Programs, in view of improving the next regulatory framework, the partner countries have proposed to apply the principles of shared management for the next CBC ENI programs. The principle of shared management is successfully applied within the current European Territorial Cooperation (ETC) and the CBC component of the Instrument for Pre-Accession (IPA CBC). Sharing of responsibilities is foreseen among all participating countries: Member State and

Partner countries. In order to ensure that this division of responsibilities can be put in place effectively, the role of all participating countries – including Partner Countries - in issues like audit, control and recovery shall be defined clearly and must be properly understood by all parties.

The European Commission and the European External Action Service has already officially launch the ENI CBC 2014-2020 programming exercise during the INTERACT ENPI annual conference which took place in Jordan on 16-17 October 2012. There the Program stakeholders were invited to launch the programming process. Prior to it, a strong preparatory exercise was undertaken by the Partner Countries willing to implement the shared management principle. A Background Paper to support the preparation process in the Republic of Moldova was produced. The document provides details from two IPA CBC programmes under implementation and practical recommendations for the national system.

II. Joint Operational Program Romania – Ukraine – Republic of Moldova 2007-2013

- *Daily assistance to project beneficiaries and partners*

The experts of the Regional Office Chisinau offered daily assistance to project beneficiaries and partners in the issues related to project implementation: reporting, visibility, procurements, etc.

- *Participate as internal assessor to the opening session and as administrative checkers of applications submitted by the pre-selected applicants, under the second call for proposals, Priority 3*

Assistance has been provided to the contracting authorities to participate as internal assessor to the opening session and administrative checker of applications submitted by the pre-selected applicants, under the second call for proposals, Priority 3. In the second call for proposals there were about 1060 Concept Notes submitted. The administrative check started on the 27 February (Iasi – Priority 3, Suceava – P1&P2). The Branch Office experts have been delegated to act as internal assessors. After having verified 475 Concept Notes, there have been about 200 clarifications requested that should be checked and analyzed for further decision.

- *Support for the Contracting process of the Large Scale Projects*

The contracting process of the Large Scale Projects (LSP) has been started by the program structures. The following activities have been undertaken to ensure the preparation of the contract dossier in due time and solve existing problems:

- Creation of the National Working Group with the LSP representatives in order to consolidate the communication between all the stakeholders (projects beneficiaries and partners, line ministries, National Authority, Regional Office) and ensure the efficient implementation of the contracting followed by implementation stages of the LSP projects;
- Daily support to the projects applicants and beneficiaries in preparing the contract dossier. Collaboration with all relevant institutions (Ministry of Finance, Treasury) to prepare the documents necessary for the contract dossier;

- Cooperation with the program structures in order to clarify all the issues related to LSP projects.

After consideration of the complexity of the CBC projects at the implementation stage and the remaining capacities of the involved institutions, it was decided to undertake the following actions:

- Monthly meetings with all Moldovan LSP beneficiaries / partners will be organized to follow up the project implementation, discuss existing problems and find appropriate solutions;
- The relevant information, conclusions and decisions of the meetings will be communicated to all stakeholders via minutes of the meetings;
- In order to strengthen the communication and cooperation aspects, the minutes will be sent to Program Structures, National Authority, beneficiaries and partners via emails. We kindly ask Program Structures to provide copy to the National Authority / Branch Office while communicating with Moldovan beneficiaries and partners;
- The Branch office will assist State Chancellery in performing the above mentioned activities.

III. Joint Operational Program Black Sea Basin (BSB) 2007 – 2013

At present, the contracting process continues for project selection within the call 2011. Out of 41 selected projects, only 4 have been contracted (of which 3 have a Moldovan partner).

The relevant Moldovan institutions have been included in the Government Decision no. 246 of VAT exemption.

The Branch Office experts are providing necessary support to the JTS officers in contacting and receiving necessary documents from the Moldovan institutions.

The Annual Working Plan of the Joint Managing Authority, the TA Budget and the Annual Communication Plan for 2013 have been analysed and approved by the members of Joint Monitoring Committee.

According to WG, the programming process is planned to start in February 2013. The Branch Office expert will be involved in the work of the Joint Task Force for the designing the next BSB Program.

IV. Transnational Cooperation Program South-East Europe 2007-2013

- *Support to sign the Financing Agreement between the Government of the Republic of Moldova, the European Commission and the Managing Authority located in Hungary concerning the integration of funds from the European Neighbourhood and Partnership Instrument within the South-East Europe Transnational Cooperation Program for assistance from the European Regional Development Fund under the European Territorial Cooperation*

The necessary support has been provided to State Chancellery in order to manage the signing of the Finance Agreement between the Government of the Republic of Moldova, the European Commission and the Managing Authority located in Hungary concerning the integration of funds from the European Neighborhood and Partnership Instrument within the South-East Europe Transnational Cooperation Program for assistance from the

European Regional Development Fund under the European Territorial Cooperation. The final version of the draft of the governmental decision has been performed. The agreement has been translated and sent to all relevant institutions (Ministry of Finance, Ministry of Foreign Affairs and European Integration, Ministry of Justice) for examination.

The Moldovan partners signed the agreement on 28 of December 2012. As a result, 2 millions Euros will be offered by EC for Moldovan partners to implement transnational projects under TNC SEE 2007-013.

V. General issues

Some of the information activities have been performed in a permanent manner: contribution to update the Romanian / English version of the Program website; ensuring the ENPI CBC visibility, including assisting projects with visibility guidelines whenever necessary; constant updating of the databases managed by the JTSs with contact details of organizations, institutions and authorities as

would-be applicants, beneficiaries and / or stakeholders of the Program, and media.

The presentation on monitoring and evaluation of the CBC projects has been done and presented for NGOs attention in an event organized by the State Chancellery.

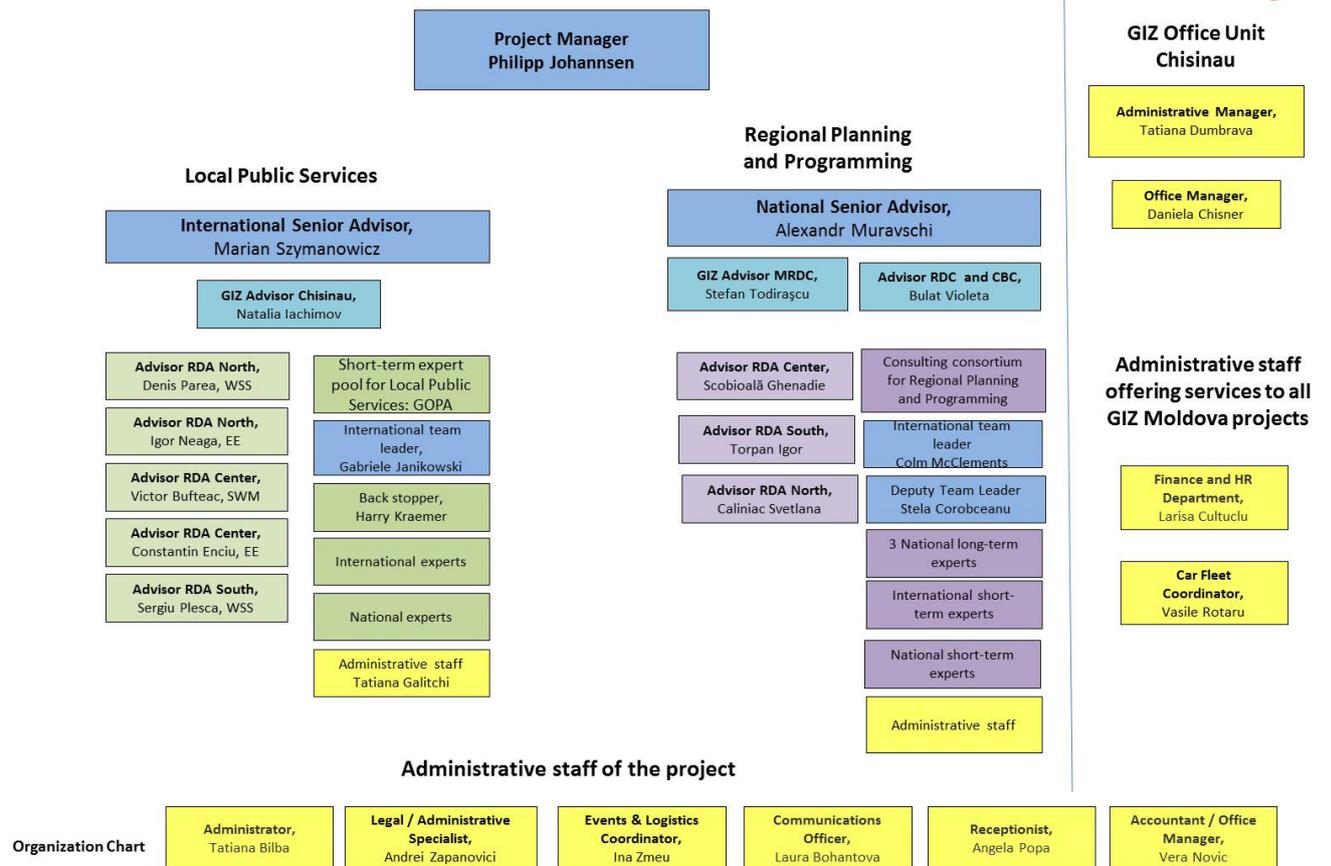
The needed support has been provided to Moldovan partners from JOP BSB and JOP Ro-Ua-Md in order to be included in the Annex 1 of the Governmental Decision 246 on how to apply the zero VAT for investment projects. The list of Moldovan partners has been elaborated and sent to State Chancellery attention.

The EC carried out the Results-Based Monitoring (RBM) for current CBC Programs. A range of s has been conducted with the external expert on the issues related to program management, program and project implementation, problems encountered, results, experience, etc.

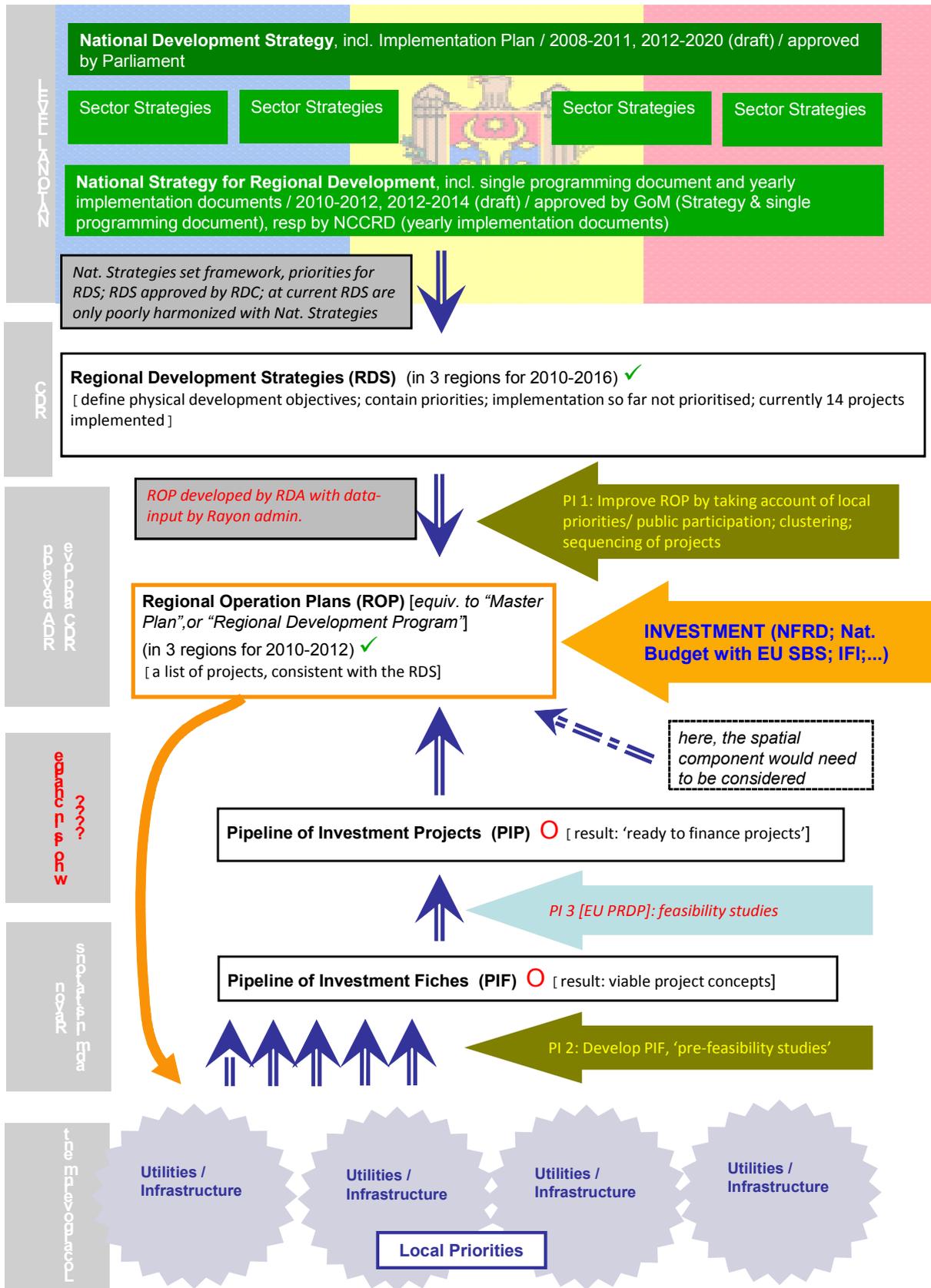
ANNEXES

Annex #1 The Structure of the Project “Modernization of Local Public Services in the Republic of Moldova”

GIZ Project: Modernization of Local Public Services in the Republic of Moldova



Annex #2 Flowchart Regional Planning and Programming



Annex #3 Project Pipeline

