

4th 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: December 1, 2011- February 29, 2012

March, 2012

Chişinău, Republic of Moldova



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SUMMARY

The intent of this report is to provide a detailed overview of implemented, ongoing activities for the GIZ projects “Modernization of Local Public Services in the Republic of Moldova” (MLPS) and “Capacity Development for Regional and Cross-Border Cooperation in the Republic of Moldova,” implemented by the German Development Cooperation (GIZ) between December 1, 2011 and February 29, 2012.

All the activities were coordinated with the project’s partners in the spirit of cooperation and mutual trust. International and local experts were involved in the accomplishment of the activities and a regulation of the cooperation between the main partners was developed.

This document is divided into following segments:

Introduction: Presents short background information about the project’s intermediate objectives of improving and modernizing local, public services in the Republic of Moldova.

Chapter 1: Gives detailed information about project partnerships and networks.

Chapter 2: Presents the project’s main intervention areas, as follows:

- **Regional and local planning and programming;**
- **Inter-Municipal Cooperation and development of the capacities of local service providers;**
- **Implementation of the investment projects, in the following sectors:**
 - Water and Sewage,
 - Solid Waste Management,
 - Energy Efficiency,
- **Cross cutting issues of including public acquisitions, public propriety management**

This Chapter also deals with staff-related issues and other project-related activities, such as consulting assignments.

Chapter 3: Offers information on the activities of the “Capacity Development for Regional and Cross Border Cooperation in the Republic of Moldova” project.

The Annexes contain the Project structure, the Regulation on the Cooperation Mechanisms between the German Development Cooperation, the Ministry of Regional Development and Constructions and the Regional Development Agencies and the Flowchart on Regional Planning and Programming.

ABBREVIATIONS

BMZ	German Ministry of Economic Cooperation and Development
CALM	Congress of Local Authorities of Moldova
CBC	Cross-Border Cooperation
EE/RES	Energy Efficiency and use of Renewable Energy Sources
EU	European Union
GIZ	German Development Cooperation
GoM	Government of Moldova
IMC	Inter-Municipal Cooperation
JILDp	Joint Integrated Local Development Program
LPA	Local Public Administration
M&E	Monitoring and Evaluation
MoEnv	Ministry of Environment
MoEco	Ministry of Economy
MFAR	Ministry of Foreign Affairs of Romania
MLPS	Modernization of Local Public Services
MoF	Ministry of Finance
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
RDA	Regional Development Agency
RDC	Regional Development Council
RDS	Regional Development Strategy
SDC	Swiss Agency for Development and Cooperation
SEDS	Socio Economic Development Strategy
Sida	Swedish International Development Cooperation Agency
SLE	Centre for Advanced Training in Rural Development, Humboldt University, Berlin
TNC	Trans-National Cooperation
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
WSS	Water Supply and Sanitation

INTRODUCTION

The majority of the Republic of Moldova's population lives in small towns and villages in rural areas. Public services in most of these communities are unsatisfactory. In recent years, a series of reforms have been introduced in the Republic of Moldova's public sector aimed at improving this situation.

The MRDC was established in 2009 to advance socio-economic development in the newly created regions. With the same purpose, RDAs and RDCs were created, RDS were drafted and approved and the NFRD was established.

One of the key obstacles in implementing RDSs, is a lack of knowledge and experience in designing and implementing sustainable partnership projects, which are the basis for regional development.

Therefore, the main goal of MLPS is to contribute to the capacity development of public institutions and service providers in order to improve the population's access to quality public services. According the general project document, the target group is the population of 9-12 rural communities in different rayons from the North, Center and South development regions of the Republic of Moldova.

MLPS supports LPAs through RDAs, particularly regarding planning and implementation of investment projects and various related capacity development measures of different stakeholders in this process.

Based on the experiences gained during this process, MRDC, sector Ministries and other public institutions will receive assistance at the central level in presenting proposals for additional adjustments to the general conditions of LPAs. The primary focus of this assistance will be in the field of decentralization and regional development

towards improved public service delivery to the citizens.

The State Chancellery as well as the CALM (Congress of Local Authorities of Moldova) will be increasingly integrated into the discussions about strengthening the local self-administration in order to ensure that the LPAs interests and perspectives are represented within this context.

The German contribution 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:

- Increased coherence in planning and budgeting (LPA, RDA, RDC, sector Ministries)
- Improved inter-communal collaboration
- Increased efficiency and effectiveness in project implementation
- Increased capacity for quality control and M&E of local public services by LPAs
- Improved management of local public services by service providers
- Higher customer satisfaction

MLPS has been commissioned by BMZ in 2009, based on the results of the Government Negotiations between Moldova and Germany of the same year. The current project phase (01/2010 – 12/2014) is funded by BMZ at the scale of € 3M. The Romanian Ministry of Foreign Affairs contributes with € 0.7M and the Swedish Government contributes with 30 million SEK to the project during the same period.

Chapter 1. PROJECT PARTNERSHIPS

In the reporting period, the project has built up or extended partnerships with national governmental institutions, development

partners in Moldova, institutions outside of Moldova and non-state service providers.

1.1 Partnership with national governmental institutions:

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

During the reporting period, an Implementation Agreement and a Regulation on the Cooperation Mechanisms between the German Development Cooperation, the Ministry of Regional Development and Constructions and the Regional Development Agencies in the framework of the project were jointly developed and signed. Several planning workshops were organized with the goal of fortifying cooperation and improving communication between the partners. The project, together with MRDC, identified the need to become a partner in the IMC, WSS and SWM workgroups and taskforces. Also, a MoU between MDRC, APA and MLPS was signed.

In the context of the 2nd Call for Project proposals for NFRD, the MLPS offered technical support to MRDC in updating the Application Instructions and Evaluation Grids for the WS and SWM measures of the priorities of the NSRD.

As always, MLPS, MRDC and RDAs and other key partners jointly planned the short-term expert missions commissioned by the project, while the respective reports were provided to the MRDC and other stakeholders.

- Ministry of Economy of Moldova (MoEco)

Since 2006, MoEco has been responsible for all issues relating to energy efficiency and renewable energy. All activities related to 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, the National Agency for Energy Efficiency, MRDC and the Committee on Eastern European Economic Relations. The MLPS staff participated in various EE/RES-related events and all respective Donor Coordination Meetings. Representatives from MoEco also participated at the event to launch the Orhei District Hospital Energy Efficiency Improvement Project.

- 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, the project became a member of the Solid Waste Management (SWM) and Water and Sanitation (WSS) Working Groups, headed by the MoEnv. The Project managed to gain MoEnv's commitment to support the co-financing of the "Expanding Integrated Waste

Management into Rural Areas in the Ciorna River Basin” through the Ecological Fund.

- **State Chancellery**

The State Chancellery coordinates and ensures the strategic planning processes within the central public administration and established 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, monitoring, managing, and evaluating external assistance to Moldova.

All MLPS activities have been presented to representatives of the State Chancellery during Regional Development Coordination Council sessions, at various workshops in the framework of the upcoming EU Joint Programming on Regional Development and a dedicated work meeting on CBC.

The project became a member of the IMC Work Group headed by the State Chancellery. The first National Conference on the subject of “IMC as a Tool for Decentralization and Regional Development” will be supported by the Project and as one of the State Chancellery’s annual priorities.

1.2 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 helps identify adequate technical and managerial solutions relating to “The National WSS Strategy of the Republic of Moldova.”

The representatives of the National Water Agency were invited to participate to all national round tables in the context of integrated sector planning approaches.

- **Public Procurement Agency**

The PPA 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-projects will be conducted in accordance with

regulations on public procurement. All related training is being prepared in close coordination with the agency.

GIZ focal point in public procurement has been included as a member of the Steering Committee of the Twinning project for the Agency of Public Procurement and exchange continuously the information.

- **The Agency for Public Property**

The Public Property Agency, subordinated to the MoEco, implements government policy on public property management for state owned property. In the context of the 2nd Call for Projects for NFRD, a series of events are currently being prepared in order to increase knowledge transfer to RDAs and LPAs in this important field.

– **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

context of the 2nd call for Projects for NFRD, it is planned that their specialists will be involved in the capacity development activities for LPAs. In this regard, a letter with intention for cooperation was given to the ALRC.

1.3 Partnership with other Moldovan institutions

– **Congress of Local Authorities from Moldova**

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).

With support from the Project, CALM prepared a baseline study on modalities for local service provisions. The research aimed to evaluate the opinion of LPAs, RDAs and governmental agencies towards inter-municipal cooperation, regionalization, and other innovative modalities in public services' delivery and towards interaction between all these institutions to identify major problems and possible solutions.

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 the participants of the EUREM course, implemented in 2011.

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

The Chamber of Commerce and Industry is a non-governmental organization whose

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

The collaboration with the Academy of Public Administration started last year. A MoU between MRDC, APA and GIZ will be signed in March 2012. The MoU aims to strengthen the cooperation of the parties in the process of representatives of LPAs on project identification, development and implementation, in the framework of regional development policy.

1.4 Partnership with development partners in Moldova

– **UNDP/UNDP Joint Integrated Local Development Program**

The Joint Integrated Local Development Program assists the government of the Republic of Moldova in the process of

decentralization and strengthening local self-government. GIZ invites UNDP at all its and its partners' relevant events in order to exchange knowledge and good practices. In March 2012, GIZ and UNDP became members of IMC

working group and plan to jointly organize the first National IMC Conference in May, in cooperation with the USAID Local Government Support Program.

– **USAID/ USAID Local Government Support Program**

Several meetings were organized to exchange information and knowledge on the subjects of public procurement and financial management. GIZ and USAID/ LGSP became members of the IMC working group and plan to jointly organize, the first National IMC Conference, together with UNDP.

– **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 the water sectors.” As the lead donor in the field of WSS, SDC has prepared and co-chaired various sector coordination

and donor meetings during the reporting period, in which MLPS participated.

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 ApaSan are members of WSS National Task force, headed by 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 million SEK.

1.5 Partnership with institutions outside of Moldova

– **Committee on Eastern European Economic Relations**

The Committee on Eastern European Economic Relations (OE) is the German business community’s oldest regional initiative. It serves as a mediator between business leaders and policymakers in Germany and in Eastern Europe. It also seeks to build up economic relations with these countries in order to promote trade and industry as well as investment and services with and in the region.

OE was actively involved in organizing and co-funding the EUREM training of trainers’ course.

OE has designed a specific project, in close cooperation with MLPS, in order to improve the investment climate for German companies in the field of local public service infrastructure. The Committee on Eastern European Economic Relations closely collaborated with the Project in the preparation and implementation of a network travel of 25 representatives of companies from the sectors

of WSS, SWM and EE/RES to Moldova in March 2012.

– **Joint Operational Programme Romania-Ukraine-Republic of Moldova 2007-2013 (Ro-Ua-Md, JOP BSB, TNC SEE)**

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 (CCP/Branch Office) was set up in 2007, being financially supported by several budget lines (EC Delegation in Moldova, TA from the JOP Ro-Ua-Md). The current operational contract ends on 31 March 2012 and the extension is being envisaged for September 2012 due to internal procedures of the Contracting Authority. For this reason, at the request of the State Chancellery, GIZ in collaboration with MRDC, has decided to assist the Branch Office Chisinau by hiring two senior experts for the implementation of the activities that should be undertaken in the period April - September 2012, hence insuring the smooth and efficient running of the cross border program on the territory of the Republic of Moldova.

– **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 Euro, which shall be used for improving sanitation in Rosu complementary to the ongoing water supply activities. The report was sent in January and the future plans for cooperation are being discussed.

- **Non-state service providers**

MLPS hired three NGOs from the regions to carry out baseline studies for the pilot-projects.

These baseline studies have been finalized with additional support from local and international experts provided by MLPS' short term expert pool.

Chapter 2. PROJECT'S MAIN INTERVENTION AREAS

2.1 Regional and local planning and programming

In November 2011, by a decision of the BMZ and Sida, the project's extension was approved. Thus, the project will reach its objective of modernizing local public services by updating Regional Development Strategies and Regional Operational Plans.

The project will offer technical assistance to RDAs to update ROP of the three existing development regions (North, Central, South), ensuring harmonization of strategies and operational plans with the objectives of National Sectorial Strategies and local needs.

In January 2012, GIZ launched an international tender for selecting a consulting company which will ensure practical implementation of activities under the expended project intervention areas reflected in the project proposal.

In February, a workshop with representatives of MDRC, MM, ME, AEE, RDC and RDAs on determining the role of central and regional institutions to promote and develop ROP sector took place.

In March 2012, the MRDC will launch the 2nd Call for Project Proposals for the NFRD. The selected projects will be included in the updated ROP for 2013-2015. The MLPS provided technical support to MRDC in updating the Instructions for Applicants and developing the Evaluation Grids for the projects in WSS and SWM.

For the next reporting period, GIZ will offer both technical and logistical support to the MDRC and RDAs in organizing national and

regional training sessions for the potential applicants.

Lately, the project, together with MRDC and RDAs, selected three regional advisors in planning and programming and one advisor in EE for the Northern Development Region. Also, one national advisor was selected to offer assistance to the MDRC in regional planning and programming policies and programs. The contract with the mentioned advisors will be signed on 1 March 2012

Regional activities will be coordinated and organized with active participation of the GIZ regional planning and programming advisors. Concept Notes and complete Applications Forms for projects in water supply and sanitation and integrated waste management will be improved by GIZ short term experts.

The process of updating the "Social Economic Development Strategy of the Riscani Rayon, WSS Component" started in May 2011. By December 2011 the consultation activities with the local and national stakeholders to develop the priorities and clustering criteria were organized. In the reporting period, a set of local work group meetings were organized with the support of GIZ advisors.

For the next reporting period, two round tables will be organized in Riscani and Cahul on the SEDS and WSS component. The activities for the development of the SEDS for Soldanesti rayon, scaling up for Floresti and Rezina rayons will also begin.

2.2 Capacity Development of RDAs and RDCs

In the context of the 2nd Call for Projects Proposals for the NFRD, RDAs and RDCs will be trained on the application of the “Instructions for Applicants and the Evaluation Grid” that will help them in selecting the best projects to

be included in the updated ROPs. This series of activities will be organized by the MDR with GIZ logistical and technical support and are aligned to the RDAs and MRDC Annual Action Plan.

2.3. Development of LPAs capacities for Inter-Municipal Cooperation and development of the capacities of local service providers

Inter-Municipal Cooperation is inherent in a decentralized territorial administrative system. The more autonomous Local Public Authorities (LPAs) there are, the more they need to cooperate; the more they can cooperate.

The economic, social and political evolutions of the last few years in the Republic of Moldova have put light to the need for a serious and real reform in the domain of public administration, especially the local level. One of the priorities of the National Decentralization Strategy is to develop cooperation mechanisms for effective delivery of public services.

At the same time, one of the objectives and principles of the current Regional Development Strategies underlines the need for intra-regional cooperation and stimulation of partnerships between LPAs for planning, drafting and implementing measures for regional development¹. This is especially important as local governments need to identify and implement projects of a scale that often goes beyond the level of an individual mayoralty, thereby enabling them to participate in the implementation of national programs, strategies, and policies. The development partners, such as UNDP, assist the government of the Republic of Moldova in the process of decentralization and

strengthening of the local self-government. At the same time, GIZ supports the modernization of local public services through regional development and local pilot measures for improving local public services delivery, where IMC represents an important development factor.

In the reporting period, the MLPS subcontracted an international expert to develop a concept for promoting Inter-Municipal Cooperation in the localities of Moldova and to prepare an input paper on concrete lessons learnt/best practices on IMC for joint service provision from Eastern Europe in general, and specifically from Romania and Germany.

Also, the project became a member of the working group in IMC, which involves the main interested stakeholders. The working group plans to organize the first IMC National Conference in May this year.

In the next reporting period, the project will support the State Chancellery in organizing a National Conference in IMC, together with UNDP and USAID. The proposed joint event aims to make a step forward towards creating an enhanced common understanding among key stakeholders of the current situation of Inter-Municipal Cooperation. This includes concepts, principles, models, challenges and of the process of integrated planning and programming for improved service delivery

within the framework of decentralization and regional development in the Republic of Moldova. The most urgent/important issues to be addressed are actions to be taken in order to create the necessary framework to assist interested LPAs in preparing and implementing successful IMC initiatives. Three preparatory workshops will also be organized in each RDA to target LPAs interested in applying with projects to the NFRD in 2013.

Development of Local Service Provider Capacities

In 2011, the MLPS initiated Technical Assistance on capacity development for service providers such as Apa Canal Cahul, Apa Canal Costesti and ÎM Regia Apă Șoldănești. GIZ contracted a local consulting company to complete a diagnostic analysis of the

municipal companies. The recommendations specified in the diagnostic analysis were presented to the service providers' management teams. For the next reporting period, training in management, technical, and financial issues are planned.

Based on a Diagnostic Analysis report, a plan to reorganize Apa Canal Cahul and ÎM Regia Apă Șoldănești will be prepared with the support of local and international experts. A draft of the reorganization plan has been developed and will be proposed for approval by Rayon Council.

Concurrently, an assistance program in capacity building of "Riscani Apa Canal" employees was started. The training needs of employees were first assessed and then actions were planned. The details of the plan are listed below, in a separate paragraph of each of the pilot project report.

2.4 Pilot-Project Implementation

In the reporting period, five pilot projects of public infrastructure are being implemented together with the respective RDAs in the three development regions. GIZ advisors performed monitoring and management activities, such

as: public acquisitions, monitoring visits to the construction sites, reporting and planning activities, and disseminating activities. Below a detailed description of the performed activities is provided.

2.4.1. Water and Sanitation: "Water Supply and Sewage Services in the Village of Duruitoarea Veche, Commune of Costesti, Riscani Rayon"

Brief Project Description:

This project will satisfy the needs of the inhabitants of Duruitoarea Veche, who face the problem of insufficient drinking water, as there is currently no piped water and sewage service available in the village. The project aims to provide about 470 villagers with quality water supply and sanitation services by connecting to existing systems in Costesti

town and to improve this service in the community.

Achievements:

Physical investments

The project provides the construction of 7.5 km of water pipes and 3.2 km of sewerage pipes.

In October 2011 the procurement process to select the construction company was launched. Seven companies applied. "VALIS" LLC met all the requirements requested in the tender book and offered the best price. It was selected and a contract was signed. The contract amount is 2,240,000 MDL, including 120,000 MDL local contribution. The local contribution is allocated from Riscani rayon budget.

The contracts have been signed with the author of the project ("BONCOM" LLC) and technical supervisor (Municipal Enterprise "Comanditar UNIC" Balti)

The official launching of the project took place on November 22. Construction began in December 2011.

Until now, 650,000 MDL were recovered and the RDA North accepted this part of construction. Five kilometres of water pipes were constructed. The report on first tranche was prepared and sent to GIZ head office. In January 2012, the construction works were stopped due to weather conditions.

To assure the participatory monitoring, working sessions with the main stakeholders were organized. There were three working sessions organized with representatives of construction companies and RDA, where the difficulties of starting the construction have been discussed.

Improving the management of the public service

An assistance program for capacity building for "Riscani Apa Canal" employees was started. First, the training needs of employees were assessed, after which the necessary measures were taken.

During this period, capacity building events were organized for WSS operators from Riscani rayon, including municipal enterprises, mayors and other stakeholders.

- Consultation on improvement of the internal regulations was provided by short-term expert for ME "Apa Canal Riscani" and "Apa Canal Costesti."
- Workshop "Development and Argumentation of the WSS Fees," by short term experts, was carried out in December 2011. All water supply service providers from Riscani rayon have participated at this workshop.
- The business plan for ME "Apa Canal Costesti" is under development.

Planning, Monitoring and Management

In May 2011, the process of updating the Socio - Economic Development Strategy of the Riscani rayon, WSS component was initiated. By December 2011 the consultation activities with the local and national stakeholders were organized to develop the priorities and clustering criteria.

During the reporting period, the following activities were carried out:

- Data Collection. The inventory of the water sources (artesian wells) was completed. Initial data on all artesian wells have been taken from Agency of Geodesy and Mineral Resources (AGRM). A local group checked in the field location and status of each artesian well.
- The information was analyzed by short-term experts in water and sanitation and the report was prepared. The map of water quality in Riscani rayon is available now. According to this information, only four villages in Riscani rayon can use the artesian wells for water supply. In other villages the water contains health hazardous components.

Lessons Learnt

Physical investments

The presence of the technical supervisor in the field is very important for quality monitoring. In the Republic of Moldova the professional level of specialists is low; they do not have enough experience and responsibility, even if they are certified by the state for specialized services. In the frame of this project, a technical expert was contracted in order to perform a field monitoring visit every month. The first monitoring visit was conducted in December 2011 by Pavel Panus, technical expert. It was useful for improvement of the work at the sight, and for establishing the quality standards for a technical supervisor. Following this intervention, the construction company has improved the quality of work and updating process of the documents related to construction.

Planning, monitoring and management

In order to align the planning process, it is necessary to develop clear standards for planning: what kind of planning documentation should be prepared and what the minimal requests contained in these documents are.

Regional planning is important. This should ensure the strategic vision on the development sector and should help local authorities develop their own plans.

Plan for the next three months:

Physical investments

Construction of the WSS system in Duruitoarea Veche. During this period, the construction depends on weather conditions. Commissioning of the system is planned for May 2012.

Facilitation of the Steering Committee activity: organizing meetings on the coordination of the project, preparation and logistics.

Improving the management of the public service

Development of the business plan for the municipal enterprise "Apă Canal Costești." One workshop on consultation and development of the business plan will take place in April 2012.

The information and awareness campaign for consumers: This activity will be organized from April to June 2012. Now we work on developing the approach to combine national and local activities.

Planning, monitoring and management

Updating Riscani SEDS, WSS component:

- *The Fourth Round Table will be organized in March. Options for water supply of the Riscani rayon will be discussed and agreed by the mayors and local stakeholders*
- *During-the Fifth Round Table, which will be organized in April, the Action Plan and M&E activities will be developed.*
- *During May, the SEDS and WSS component will be consulted with citizens through public hearings and approved by the Rayon Council.*

2.4.2 Water and Sanitation: “Water Supply Services in the Village of Rosu, 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 kilometres of water pipes, two pumping stations to maintain pressure, and five points for water supply for fire hydrants.

Activities carried out:

Physical investments

Water system

On 8 November 2011 the construction stage of the project was officially launched and work started during the last week of November 2011.



The construction of the aqueduct was stopped between 25 December 2011 and 15 March 2012 due to bad weather conditions. The construction is 27% complete, according to implementation plan.

The WSS system is scheduled to be operational by May 2012.



Sewerage system

In 2011, the Romanian Government approved 200,000 Euros to extend the project to construction of the sewerage system in the village of Rosu. In December 2011, the mayor's office of Rosu organized a call for proposals with the aim of selecting a design company to develop the technical drawings of



the new sewerage system.

The design company was contracted by mayor's office of Rosu, based on allocation of 200,000 MDL from local budget. The presentation of technical drawings is scheduled for the end of April.

Improvement of the public service management



The pilot to develop a reference study on the situation at the start of the project and after its completion was completed by the NGO “Craion Contact Cahul.” The reference study will provide the necessary information and will identify the starting points for the project's activities. It will serve as a basis for assessing

the project's implementation within the community.

Planning, programming and management

Currently, the chapter on WSS infrastructure of the Socio-Economic Development Strategies (SEDS) of Cahul Rayon is being updated. In 2011, there have already been three round tables where stakeholders discussed the priorities for the development of the rayon's WSS sector.



During the reporting period the following activities were carried out:

- Collection of data. An inventory of the water sources (artesian wells) was fulfilled. Initial data on all artesian wells were taken from the Agency of Geodesy and Mineral Resources (AGRM). A local group physically checked the location and status of each artesian well.
- The information was analyzed by short term experts and the report was done. The map of water quality in Cahul rayon is now available.

Assessment and Monitoring

The working meetings, involving the main stakeholders and representatives of the construction companies and RDA South, are organized weekly. During the meetings, the difficulties associated with beginning the construction and the execution of the aqueduct, according to the plan, is discussed.

The presence of the technical supervisor in this field is very important for quality monitoring. In this project we contracted technical experts who conduct field monitoring visits every month. A monitoring visit was conducted in December by Pavel Panus, technical expert. The visit was useful for improvement of the work at the sight and for establishment of the quality standards for technical supervisor. Following the intervention, the construction company has improved the quality of works and updating of the documents related to constructions.



Lessons learned

Physical investments

More time should be reserved for the procurement process. It is likely that the first winner of the tender may not be selected. The bids do not meet the requirements specified in the tender register and therefore are disqualified. The construction companies need training in the preparation for the bids for the tender.

Improvement of the public service management

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

One of the main conditions of the capacity building program is the availability of the local

residents to participate in the training. Usually, older people are less interested in personal development.

Planning, Monitoring and Management

In the process of updating the Strategy for Socio-Economic Development, several aspects were identified in order to repeat 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 different levels, national, regional and local levels, is welcome.
- Legal support is very important to unify the planning process, especially for linking strategies at different levels: national, regional and local levels (very important for RDA). The collection of the local data requires more time. People who collect the data should be trained in this field.

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

Planned activities for the next three months:

Physical investments

Construction of the aqueduct in Rosu village

The construction of the aqueduct depends on the weather conditions. Putting the WSS system into operation is scheduled for May 2012.

Construction of the sewerage system in Rosu village

The construction of the sewerage network in Rosu is scheduled for August 2012.

Improvement of the public service management

Expansion of the Restructuring Plan for the municipal enterprise "Apa Canal Cahul":

Based on the recommendations included in the Economic Analysis Report "Water Canal Cahul", an action plan will be developed in order to improve water management.

Information and awareness campaign for consumers:

RDA South 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. The tender process will be organized in the second quarter of 2012.

Planning, programming and management

Updating of the Socio-Economic Development Strategy Cahul, WSS component:

The Planning Guide in the field of water supply and sanitation will be prepared in the next period. The WSS supply solutions for the district of Cahul will be identified and proposed for discussion by the local stakeholders. The chapter on Water and Sanitation of the Socio-Economic Development Strategy of Cahul Rayon will be updated, discussed in public hearings and approved by the District Council.

Planned activities on Updating Cahul SEDS, WatSan component:

- *The Fourth Round Table will be organized in March. The options for water supply of the Cahul Rayon will be discussed and agreed upon by the mayors and local stakeholders*

- *In the Fifth Round Table, which will be organized in April, will be developed the Action Plan and M&E activities.*
- *During May, the SEDS and WSS component will be consulted by citizens through public hearings and approved by the Rayon Council.*

Development of a study on the opportunities of transferring the water supply services from Rosu village to I.M. "Apa Canal Cahul":

In the meantime, the research in the territory will be carried out, the consumers will be interviewed and a contract will be drawn up.

Facilitation of the activity of The Steering Committee from Rosu village:

Organization of meetings is aimed at coordinating the project, training and logistics.

2.4.3 Solid Waste Management pilot project implementation “Expanding Integrated Waste Management Towards Rural Areas Located in the Ciorna River Basin”

Brief Project Description:

The basin of the Ciorna River is heavily polluted for a distance of 23 km due to uncontrolled solid waste storage and due to pollution of small affluent rivers passing through the villages of: Parcani, Glingeni, Mihuleni, Oliscani, Sestaci, and Sipca from the district of Soldanesti and the village of Lipceni from the district of Rezina. Groundwater in these villages is polluted as well. Ciorna River’s pollution affects 14,844 inhabitants.

Overall, the project goal is to decrease the environmental pollution by expanding the integrated management of waste collection and storage of Soldanesti city towards seven villages located in the basin of the Ciorna River.

By the end of the project, a modern sanitation service will operate in eight villages located in the Ciorna River Basin with the perspective to become a regional service. The population of 14,844 people, in eight localities, will benefit from the expanded sanitation service. This project will create 16 permanent jobs and 50 temporary jobs. The entire population will be

informed and trained, including 3000 pupils and 200 teachers.

Achievements:

Physical investments

In this period of time, IPS Iprocom was assisted by international expert in SWM, who worked together with planners in order to help them to improve and to correlate the design with European minimum obligatory standards in development of the sanitary landfills. The Iprocom staff has opportunity to learn from international expert how a sanitary landfill must be designed. Also, the international expert has incorporated some changes of the design which are according to European directives for conservation of the environment. At the moment Iprocom has made the changes and included the equipment for serving the landfill and the facilities for compost. Still, the design documents are not finalized yet. In the drawings some equipment specifications are absent; therefore the calculations are not

ready. The next step after Iprocom finalizes technical drawings, the documents will be submitted for inspection by technical expertise for the approval in April. All technical details which are correlated with European minimum obligatory standards for landfill was discussed with all sectorial actors: Ministry of Environment, State Ecologic Inspectorate, MRDC, department for technical standards from MRDC, Centre for Public Health from Ministry of Health, planners from Iprocom, RDA-s and representatives of LPA level I and II from Soldanesti. All details were discussed in two workshops with participation of the international expert. All involved participants gave positive feedback and fully agreed with proposed improvements in the technical drawings for Soldanesti landfill.

As it was agreed with GIZ partners, especially with MRDC and Ministry of Environment, the construction of the sanitary landfill from Soldanesti will be done with financial support from Ecological Fund, NFRD and GIZ. Until the end of technical expertise, GIZ Moldova, jointly with LPA from Soldanesti, has planned to have already prepared the application for submitting to the Ecological Fund for financing of the construction works for the landfill and procurement of the equipment.

At the same time, GIZ focal point for SWM, jointly with LPA of Soldanesti, will prepare a conceptual note for new call of proposal for NFRD for the next year, 2013. In this Conceptual Note it will be proposed to be financed for the second Call for project proposals by NFRD, thus the second part of construction and procurement of equipment will be financed.

Also in this period of time, GIZ Moldova selected the company Globeco International to develop technical drawings for a recycle yard in the city of Soldanesti which will permit

the increased quantity of the collection of recyclables materials: paper, glass and plastic from all Soldanesti rayon. No doubt that collection of recyclables will have direct impact on reducing of the volume of waste disposal at the landfill.

Improving the management of the public service

The Municipal Enterprise “Regia Apa Soldanesti” was assisted by SES expert in SWM who gives recommendations to the LPA and to the enterprise staff on how to improve the service. Also, the municipal enterprise and LPA were assisted in related improvements according to the recommendation from the diagnostic report. For the next mission of the international expert, GIZ Moldova plans to assist and support the Municipal Enterprise and LPA from Soldanesti related to the reorganization of the service/company that will give opportunity for ME “Regia Apa Soldanesti” in the future to become a regional company who can provide service in all rayon and also to be able to cover other two rayons: Floresti and Rezina. This next mission of the short term expert is planned for the second part of April.

Planning, Monitoring and Management

On this chapter, GIZ Moldova did not start all the activities. For next quarter GIZ has planned to start activities related to the updating of the SEDS, SWM chapter for Soldanesti rayon with scale up to other two rayons, Floresti and Rezina. Regional planning is important. This should ensure the strategic vision on the development sector and should help local authorities develop their own plans and to be in accordance with National Strategy for Waste Management which provide regionalization of the service.

Planned activities for the next three months:***Physical investments***

The technical drawings for sanitary landfill and all calculations related to investment costs will be finalized before submission to the Inspectorate for Verification and Technical Expertise.

The application for the Ecological Fund for financing of the part of construction works will be submitted and the specific equipment for landfill will be procured. The Conceptual Note for the next call of proposal for NFRD will be prepared.

At the same time, the technical drawings for the recycle yard will be finalized. The documents for environment and technical expertise will be submitted and the sources of funds for construction of the recycle yard in Soldanesti will be identified.

Facilitation of the Steering Committee activity includes: organizing meetings on the coordination of the project, preparation and logistics.

Improving the management of the public service

A short term expert will assist the Municipal Enterprise “Regia Apa Soldanesti” in order to identify the best option for reorganization of the service and company. He will also identify options for regionalization of the service from city of Soldanesti to seven villages. After that, the enterprise will be expanded to all Soldanesti rayon, then to other two rayons: Floresti and Rezina.

Planning, monitoring and management

The development of the SEDS for Soldanesti rayon and scaling up activity for the Floresti and Rezina rayons will start in the next months.

Participation in the work group for SWM sector established by Ministry of Environment, with participation of all sector actors in order to help and to improve the sector policy and specific documents related to the SWM, prepared by the Ministry of Environment.

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

Brief Project Description:

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

Achievements:***Physical investments****Identification of technical solution*

During this period, the study for determining the energy efficiency measures needed to

improve the situation in Orhei Hospital was finalized with the support from two international experts. As a result, one of the measures of improving energy efficiency in Orhei District Hospital was changed to installing the Smart Energy Monitoring System in order to have clear picture on all types of energy consumption in the hospital (electricity, natural gas, heat and hot water), not only the consumption of the electricity which constitutes about 30% of all energy consumption.

The findings of the study were presented on January 27, 2012 in Orhei at Raional Council

meeting hall [at the official project launching event. About 40 participants, representing project partners as well as other interested parties such as district hospitals from Centre region, MRDC, North and South RDAs, Ministry of Economy, Energy Efficiency Agency, Orhei Mayoralty, mass media were present.

Changing of external windows of the Prenatal Centre (maternity block of buildings) of Orhei regional hospital

Beginning December 1, 2011 the tender winner was appointed, the company “Fermod Plast” SRL; the contract between the Centre RDA and the tender winner was signed and approved by State Public Procurement Agency. Because of the unfavourable weather conditions (low temperatures) the installation works were postponed until the end of February 2012. On February 27, the works for changing of windows were recommenced. Also, the technical supervisor for providing supervision services for the works on changing of windows was contracted.

Installing the Smart Energy Monitoring System
As a result of the improvement of the study “Determining the Energy Efficiency Measures Needed to Improve the Situation in Orhei Hospital”, it was proposed that the Energy Monitoring System should be installed. Therefore, there is a needed to redesign the energy monitoring concept of the hospital. For this purpose the international expert assisted by local expert will be involved.

Improving the management of the public service

Changing of external windows of the Prenatal Centre

According to the financing agreement the first tranche at amount of 50,000 euros were transferred to Centre RDA account especially opened for these purposes.

Installing the Smart Energy Monitoring System
Also, in order to ensure the sustainability of the system an energy coordinator in operating the system was hired by the hospital. At the beginning, the energy coordinator was hired only part-time (short-term), for 0.5 of the working time.

Planning, Monitoring and Management

By finalizing the study “Determining the Energy Efficiency Measures Needed to Improve the Situation in Orhei Hospital” the short term experts collected and summarized the data on energy consumption, including water for the last three years. These data will serve as a base line for the future monitoring system. After its translation, the study will be shared will all project partners as well as interested parties.

Lessons Learnt

Physical investments

- The presentation of the study findings emphasized that the energy problems the other district hospitals are facing are common. That is why the experience of Orhei Hospital is highly appreciated by and useful to other hospitals.

Improving the management of the public service

- Because of the scarcity of public money, as well as the dependence from the imported energy (about 94-96% of energy sources are imported), energy efficiency issues are on big demand in Moldova. Being a relatively new field in Moldova, energy efficiency requires new approaches and new knowledge. Every institution that is planning to reduce their energy consumption has to have a dedicated personnel for this job. In this case, the EUREM Courses, those started in 2011 year and were run by Chamber of Commerce and Industry from Moldova supported by German Cooperation

Development (GIZ) and Committee on Eastern European Economic Relations (Ost-Ausschuss der Deutschen Wirtschaft), are welcomed. The EUREM Courses will prepare energy managers. The more information could be found on the web pages: www.chamber.md (Moldovan Chamber) and www.eurem.net (EUREM Consortium).

Plan for the next three months:

Physical investments

Changing the external windows of the Prenatal Centre

- Finalizing the works to change the external windows and doors of the Prenatal Centre.
- Monitoring the works.

Installing the Smart Energy Monitoring System

- Finalizing the concept of the Smart Energy Monitoring System.
- Developing the project design for the energy monitoring system and its approval by corresponding state bodies. Develop the tender book for hiring the company to install the meters. Sign the contract with the winner and starting of the installation works.
- Contract the technical supervisor for installation works of the energy monitoring system in Orhei District Hospital.
- Contract a short term expert for verification and quality control of the

energy monitoring system in Orhei hospital.

Improving the management of the public service

- Prepare and conduct the workshop “Energy Efficiency in Hospitals - Exchange of Experience,” a presentation of the Smart Energy Monitoring System and results on a public event.
- Hiring the company/experts for development of the training course “Energy Efficient Management in Hospitals.” Start the course development.
- Prepare and carry out the study visit to a successfully implemented project site in energy efficiency field related to Orhei hospital.
- Contract company/NGO/consultants for informational materials creation. Development of the design of the informational and awareness materials.

Planning, monitoring and management

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

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

Brief Project Description:

The project foresees illumination of the main street in each of six villages in Tatarauca Veche community that comprises about 2,200 inhabitants.

Achievements:

Physical investments

Identification of technical solution

The study on optimal technical solution was developed and according to the study the use

of LED lamps is one of the most energy efficient, as per day. The findings of the study will be presented at the end of April 2012, together with official project launching. The study report describes the main types of lamps used (high pressure arc lamps with mercury, arc lamps with sodium, halogen, and LED lamps) and the cost estimation of the investments. The economic calculation was prepared only for the largest used technologies in street lightning, as per day, which is the use of high pressure arc lamps with mercury and LED lamps. The study will be delivered to all project partners.

Elaboration of the technical project design

The project, at present, is in procurement phase for the creation of the technical project design, including geodesic-topographic prospections/works. For this purposes the procurement documents, including the technical requirements, were developed.

Improving the management of the public service

Agreements

The financing agreement between GIZ, MCRD and North RDA in the amount of 50,000 Euro was signed. The first installment at amount of 25,000 Euro will be disbursed in the near future.

On February 14, 2012 the Memorandum of Understanding on implementation of the project was signed between all project partners: MRDC, North RDA, Tatarauca Veche Mayorality, and GIZ.

Identification of the optimal legal form of service providing company

“Municipal Enterprise” was identified as the most appropriate legal form of the company that will provide street illumination services as well as other services (waste collection and transportation, water and sewerage). The owner of the company is the Local Council from Tatarauca Veche community. The following documents for setting up the

enterprise were developed and delivered to Tatarauca Veche mayorality:

1. Bylaw (statute) of the Municipal Enterprise “Tatarauca Service”
2. Internal regulation of enterprise
3. Job description list for hiring the director of the municipal enterprise
4. Order for hiring the needed personnel (template)
5. Request for official registering of the enterprise at the State Chamber of Registration (template)
6. Individual labor contract (template)
7. Contract for rendering of services (template)
8. Document on providing and receiving services (template)
9. Minutes of works execution and provision of services (template)

In February 2012, the director of the municipal enterprise was hired. The director started his work with the official registration of the enterprise at the State Chamber of Registration, the Soroca regional office. The official name of the municipal enterprise is Întreprinderea Municipală “Tatarauca Service” and short name Î.M. “Tatarauca Service”.

Planning, Monitoring and Management

To ensure the timely and smooth project implementation, a GIZ advisor, responsible only for this specific project, was hired.

Plan for the next three months:

Physical investments

- Contracting of company that renders services for technical project design for realization of street illumination installation works.
- Public acquisitions of works for installing the street lighting system (development of the tender book, contracting the winner company).
- Starting of the installation works.

- Monitoring of the construction/ installation works

Improving the management of the public service

- Presentation of the findings of the study on optimal technical solution regarding street lighting in Tatarauca Veche community.
- Legal registration of the municipal enterprise that will provide the public services at community level.
- Hiring the company/experts for elaboration of the training module “Efficient Street Illumination in Rural Areas of Moldova”.
- Development of a practical guide for the efficient street illumination in rural areas of Moldova.

- Prepare and conduct of workshop “Exchange of Experience in Street Illumination.”
- Preparation and realization of the study visit to a successful implemented project in street illumination.
- Contracting company/NGO/consultants for informational materials elaboration. Development of the design of the informational and awareness materials.

Planning, monitoring and management

Facilitation of the activity of Steering Committee for project implementation: organizing the project coordination meetings, preparation and logistics.

2.5. Cross-Cutting Issues

2.5.1. Public Procurements

According to the plan of activities, the following results in the field of PP have been achieved in the period of 12.2011 - 03.2012:

Financing Agreements

- The procurement process for windows for the project “Increasing the Energy Efficiency of Orhei District Hospital” was conducted.
- The Financing Agreement for the project, “Efficient Street Illumination System in the Community of Tatarauca Veche, District of Soroca, Republic of Moldova” was signed.
- The first FA report for the project: “Water Supply and Sewage System in Duruitoarea Veche village, District of Riscani” was submitted.

- The construction works in the project “Providing Potable Water to the Citizens of Rosu Village, Cahul District” are in the process.

Capacity development

- Joint preparation of the Public Procurement Guide Book for entrepreneurs in cooperation with the Agency for Public Procurements (APP) and a short term expert in Public Procurements was started.
- The Structure of the PP Guide Book for the entrepreneurs was established, in cooperation with the APP and the Chamber of Commerce and Industry of RM, who represents the interests of the entrepreneurs.

- The report of the study visit to Romania, focused on the lessons learnt, recommendations in relation to Public Procurements in the context of regional and local development (roles and mandate of different levels and communication/coordination between them) and the Public Procurement activity plan for the Republic of Moldova were developed.

Providing assistance in the procurement issues

- Verifying the tender documents for the project “Increasing the Energy Efficiency of Orhei District Hospital.”
- Participation at the evaluation session, development of recommendations for evaluation and selection of the best offer submitted in the PP for the project “Increasing the Energy Efficiency of Orhei District Hospital.”
- Providing general assistance in the issues related to the PP field.

Planned activities for the next three months:

Organizing a number of activities for the consolidation of RDAs and MRDC capacities in public procurements field, such as:

- Providing capacity development support for the PP specialists of the MRDC and RDAs.
- Verify the Public Procurement process of all projects funded by GIZ.
- Participation in the Public Procurement process of the RDA North:
 1. Verifying the tender documents for the Project: “Efficient Street Illumination System in the Community of Tatarauca Veche, District of Soroca, Republic of Moldova.”
 2. Providing support in the evaluation of bids and concluding the contract with the tender PP winner for the project “Efficient Street Illumination System in the Community of Tatarauca Veche, District of Soroca, Republic of Moldova.”
- Finalize the PP Guide Book for entrepreneurs.
- Organize the training for entrepreneurs on the subject of preparation of tender documents. The trainings will take into consideration gender principles.
- Publish the PP Guide Book for entrepreneurs.
- Participate and provide technical assistance for the PP specialists of RDAs/ general assistance in the area of Public Procurements.

2.5.2. Public Property Management

In cooperation with MRDC and RDAs, the project assessed the challenges faced by LPAs in registering and managing public assets and infrastructure. In this regard, Terms of Reference were developed for a short-term local expert. Under these ToR, the expert

prepared a report on the legislative background and the roles and mandates of the main actors in the area of public infrastructure management. The report was sent to the partners for comments.

Planned activities for the next 3 months:

Based on the expert's recommendations, a set of training sessions, targeting the specialists who work in the 32 Rayons of the three Development Regions of the Republic of Moldova will be delivered. The training sessions will be facilitated by the three RDAs. All the training session will take into consideration the gender principles.

The subjects of the training sessions will be based on the assessed needs, the subjects proposed by the state Agency of Land Relations and Cadastre and the Agency of Public Propriety in the fields of registration

and management of public infrastructure in SWM, WSS and EE. Also, the training will contain modules referring to the transmitting public goods from RDAs to LPAs.

After the training, the expert will prepare a report highlighting the outcomes of the subjects discussed during the training and a short guidebook on PPM, which will be disseminated to all the beneficiaries. The guideline on the steps of registering and managing a public infrastructure will be developed.

2.5.3. Consulting assignments and staff recruitment

Lately, the project, together with MRDC and RDAs, selected three regional advisors in planning and programming and one advisor in EE for the Northern Development Region. Also, one national advisor was selected to offer assistance to the MDRC in regional planning and programming policies and programs. The contract with the mentioned advisors will be signed on 1 March 2012.

Specific support from external experts constitutes one of the modalities through which MLPS provides its assistance. A consortium of GOPA, Kommunal kredit and Eptisa was selected within an international tender conducted by GIZ Germany, based on

ToR jointly drafted with MRDC. The consortium started its activities at the beginning of April, 2011 based on reviewed and updated activity plans for each intervention area of MLPS. The procedures for consulting assignments foresee a joint drafting of the ToR by MLPS, a RDA and the respective counterpart at central level.

Each international assignment starts and ends with a briefing/debriefing at MRDC, while the respective consultant report is circulated to the key stakeholders for comments.

Chapter 3. CAPACITY DEVELOPMENT FOR REGIONAL AND CROSS-BORDER COOPERATION IN THE REPUBLIC OF MOLDOVA

Summary

The project "Capacity Development for Regional Development and Cross-Border Cooperation in the Republic of Moldova" is primarily oriented towards the improvement of the capacities and competences of the local and regional public authorities and organizations from the Northern Development Region of Moldova, as well the Ministry of Regional Development and Construction (MRDC).

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

At the moment, there is an insufficient experience in developing and implementing investment and capacity development projects in Moldova. Apart from the fact that the number of consulting companies with experience in developing and implementing projects is limited, the cooperation with the Local Public Authorities (LPA) and newly created regional structures is under-developed and causes a gap between the LPA

development needs and corresponding activities. While the available budgets of national and/or international development programs (i.e. EU CBC-/TNC-Programs financed under the EU-Cohesion Policy and the ENPI in the current financing period 2007-2013) are increasing substantially year by year (and a further increase can be expected as of 2014), the very limited capacities of local and regional structures and the insufficient absorption capacity of LPA lead to a high number of lost opportunities. If one speaks about the possibilities and the potential of the EU-(CBC-, TNC-) and national programs which are implemented in Moldova, and the requirements regarding the policy, administration and civil society in the regions, one will notice an urgent need of improving the quality of activities of the already existent institutions. The administrative capacities of the Moldovan administration, especially at the regional and local levels, are not satisfactory for the realization of the defined goals and objectives.

The use of the available funds for financing local and regional development measures in the target region(s) in a strategic way 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 oriented towards the improvement of the capacities on regional development and

competences of the regional and local public authorities, private sector and civil society organizations from the Northern Development Region of Moldova in the preparation and realization of effective cooperation between the different stakeholders, with the national government and with potential cooperation partners in neighboring countries.

The project refers to two components:

- Technical assistance for the development region of north regarding project identification and preparation as well as participation at calls for proposals
- Technical support for MDRC, based on specific requests for the short term

Objectives:

- Strengthen capacities of local actors on the regional development concept and cross-border cooperation.
- Contribute to the establishment of partnerships and development cooperation on local, regional, national, cross-border and transnational level.
- Improve the competencies of Moldovan organizations regarding the identification, formulation and implementation of regional projects.
- Identify and develop key projects for the region.
- Promote EU-programs in the region.

Brief project description

Activities history.

The exact starting date of activities: June 2011. During the period June – December 2011, five training sessions were organized. The aims of the training courses were to support capacity development for the identification, development and management of regional projects in the North Region of Moldova. The main relevant available

financing instruments and their specific application procedures, in particular the Moldovan National Fund for Regional Development (NFRD) and the EU-Cross-Border- (CBC) and Transnational Cooperation (TNC)-Programs, constitute a focus of project activities. To achieve the desired objective, one consulting company from the northern region has been selected to develop and implement a training program. The service provider worked closely with RDA North and GIZ to receive the necessary conceptual and technical assistance to guarantee quality training provision. The training sessions were attended by specialists from the rayon councils, responsible for attracting investment as well as staff members of village and town administrations from the Northern region. These training courses were attended by 112 people, from their 58% women and 42% men. Diplomas were awarded to 75 people.

In the time between the training sessions, assistance has been offered by the service provider, as well GIZ-experts in identification of the project ideas, development of the project proposals, and creation of regional and cross-border partnerships. Up to January 2012, approximately six partnerships were created and 220 individual consultations on development of the project proposals have been offered in the north region of Moldova. Also, consultations on choosing the right program and on the initiation of sustainable project ideas for regional development and inter-communal collaboration have been provided.

It is important to note that the training program was structured in the form of a curriculum comprising seven modules, each one day in duration, to include giving the participants “homework” to make sure that they start to apply their new knowledge and

that they read the didactical material for the next session.

For the second call of proposals for the Black Sea Basin Joint Operational Program 2007-2013 (JOP BSB) and also the Joint Operational Program Romania – Ukraine – Republic of Moldova 2007 – 2013 (JOP Ro-Ua-Md), GIZ offered assistance in identification of project ideas, partner search, development of the project applications, etc. to the RDAs, MRDC, and potential applicants.

In November 2011, the Branch Office of the Joint Technical Secretariat in Chisinau: State Chancellery in, collaboration with the GIZ, has organized an Info Day for the South East Europe Program (TNP SEE). This event was organized on the occasion of the launch of the fourth call for projects where around 115 persons participated. In this context, GIZ offered individual consultations to the project applicants participating in the training sessions.

On the perspectives of Cross-border Cooperation (CBC) and Transnational Cooperation (TNC) in Moldova, on October 25, 2011, the Ministry of Regional Development and Construction (MRDC), in collaboration with the project of the German Development Cooperation (GIZ), organized the working meeting. The objective of the working meeting was to reach agreement about the most urgent needs in terms of institutional support and capacity development in the “CBC / TNC”-sector in Moldova. The subject of the discussions was focused on the interest, commitment and perspectives of the relevant Moldovan organizations and public institutions in relation to CBC/TNC as well as their roles and mandates. Finally, capacity development and/or financial assistance needs for active participation of Moldovan partners in the existing CBC- and TNC-

Programs and the division of responsibilities and tasks in this field, including perspectives for 2012/13 as well as for the next programming period starting 2014 has been discussed.

Later, the MRDC, in collaboration with GIZ, prepared and organized a meeting with the Academy of Public Administration to discuss the future cooperation with in the field of capacity development for project development and management. The aim was to design and implement a training program on “applied integrated project management in Moldova” as part of the regular program of the APA, addressing participants from the national, regional and local administrations, based on their specific needs to develop capacities for establishing project pipelines in the frame of integrated regional development strategies. This means bringing together national sector planning and regional/local development by horizontal and vertical communication and cooperation. At the same time, the goal was to also integrate cross-sector development planning. The training courses needs to comprise the whole project management cycle, including application for funding under Moldovan and EU-(CBC/TNC)-schemes. It will have to focus on the specific needs of Moldovan administrations in preparing and managing projects according to the legal, administrative and technical requirements in Moldova, thus including the areas of budget planning, drafting of technical documentations and tender documents, public procurement, contracting, financial management and control (invoicing, verification of expenditures, etc.), reporting, monitoring and evaluation.

For a better collaboration with civil society, on 26 December 2011, the RDA North, in collaboration with GIZ, organized a seminar for service providers in order to inform about

good practice of collaboration with the Regional Centre for Assistance and Information for NGOs CONTACT-Balti in organizing the training program, "Development of Project Proposals for NFRD and EU Program." In this context, online tool with information about service providers in the region has been created and on the RDA North web page. For more information, you can access: <http://www.adrnord.md>.

Achievements in the reporting period

Development needs assessment

The Ministry of Regional Development and Construction (MRDC), in collaboration with the German Development Cooperation (GIZ) in the Republic of Moldova, initiated the development of a training program for the Center and South regions of Moldova on project cycle management in the context of EU-financed cross-border-cooperation projects with a view to the second call launched under the Joint Operational Programme Romania-Ukraine-Republic of Moldova 2007-2013.

The aim of this training program was to improve the quality of cross-border projects in the region center and south. The general concept about the main EU financing instruments and its procedures for submission was discussed. This will be done by increasing



the capacities of the participants in development of European projects.

The training sessions were attended by specialists from the local public authorities Level I and II representatives of the NGOs from the center and south region of Moldova.

Objectives of the training program "Development of Cross-border Projects" are:

- Development of knowledge and abilities of potential applicants for the second call of the project proposal launched under the Joint Operational Program Romania-Ukraine-Republic of Moldova 2007-2013 regarding the identification and elaboration of projects;
- Increase of the abilities of the participants at training in the identification and establishment of sustainable partnerships for CBC projects.

Training program "Development of Cross-Border Projects" organized within the project "Capacity Development of Regional and Cross Border Cooperation in Moldova" was divided into four sessions, two of them were theoretical and two practical.

Session I - The theory for first session covered program rules, identification of the projects ideas in compliance with the program's objectives and elaboration of the logical framework for cross-border projects.

Session II - The practical session had the aim to present and discuss the projects by training participant's logical frameworks for identified projects ideas.

Session III - The theory for session three referred to completion of the concepts notes in compliance with requirements of the applicant guide and creation of the project

budget according to the project activities and eligibility of the costs and activities.

Session IV - The practical session four had the aim to present and discuss the project by training how to develop concepts notes, to help the beneficiaries to improve the prepared concept notes for applying to the program.



During two months, more than 39 individual consultations were conducted and more than 12 concept notes submitted for the second call of proposals for the Joint Operational Programme Romania – Ukraine – Republic of Moldova 2007 – 2013 by the participants from the training courses. Thus, most consultations were provided in the field of water supply and sewerage, tourism and road infrastructure.

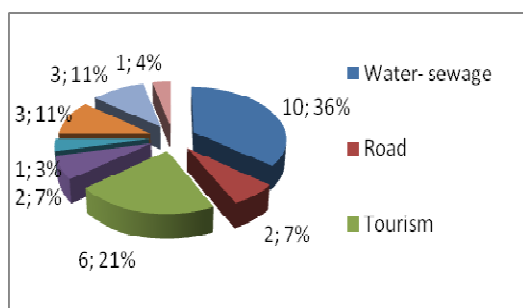


Figure 1. Number of consultations (in percentage) performed for the training program "Development of Cross-Border Projects."

Starting collaboration with the Academy of Public Administration last year was renewed

by organizing meetings and signing a MoU. The MoU govern the trilateral cooperation between GIZ, MRDC and APA aimed at cooperation in the process of implementing the regional development policy through capacity development of the relevant actors. In particular, the cooperation between the parties will comprise the following actions:

1. Develop a curriculum for a training program/course on "Regional and Local Planning and Programming" to be offered to the civil servants of Moldova by the APA. This curriculum could be developed on the basis of an existing one or might be newly designed by the parties (to be developed in 2012, first courses to be implemented in 2013).
2. The trainers to carry out the training program will be recruited from APA and MRDC. They need to be trained in a specifically designed train-the-trainer course in 2012.
3. The future trainers (APA, MRDC-staff) should be involved in the implementation of training sessions currently under preparation to train multipliers and potential applicants involved and/or addressed by the 2nd Call for Proposals (CfP) of the National Fund for Regional Development (NFRD). These training sessions will take place in the regions.
4. APA will offer one training session on strategic planning (local/ regional), regional policy formulation and implementation in Moldova, the role and functions of the various actors and documents ("Operational Planning/ Updating Operational Plans in Moldova, etc.") in the frame of the running programs/courses, addressing the Mayors. This module will be jointly developed by all three partners signing the MoU. This half-day training session should be implemented by APA with the support of the MRDC and GIZ.

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

In this period, important activities have to be realized under all Programs, in particular:

- Evaluation process for the second call for proposals under the JOP Ro-Ua-Md;
- The contracting of selected projects from the call of proposal 2009;
- Contracting of selected Large Scale Projects under JOP Mo-Ua-Md;
- Monitoring of projects under implementation within Priority 3 (JOP Ro-Ua-Md);
- Contracting of selected projects from the call of proposal 2011 (Priority 1,2,3 - JOP Ro-Ua-Md);



- Contracting of the selected projects within the call of proposal 2011 (JOP BSB);
- Monitoring of the projects under implementation from the call of proposal 2009 (JOP BSB);
- Activities related to TCP SEE.

The newly created EU Strategy for the Danube Region (DRS) provides an overall framework for parts of South East Europe Program area aiming both to foster integration and integrative development. The strategy proposes an action plan, to which a strong commitment from the countries and stakeholders is needed. The commission will regularly review progress. As a result, actions and projects will be updated or replaced as they are completed. There is an emphasis on an integrated place-based approach. Good links between urban and rural areas, fair access to infrastructures and services, and comparable living conditions will promote territorial cohesion, now an explicit EU objective. In Moldova, the national structure for the implementation of the EUSDR consists of an inter-ministerial Working Group (steering committee) chaired by the National Coordinator of the EUSDR, vice-minister of regional development and construction.

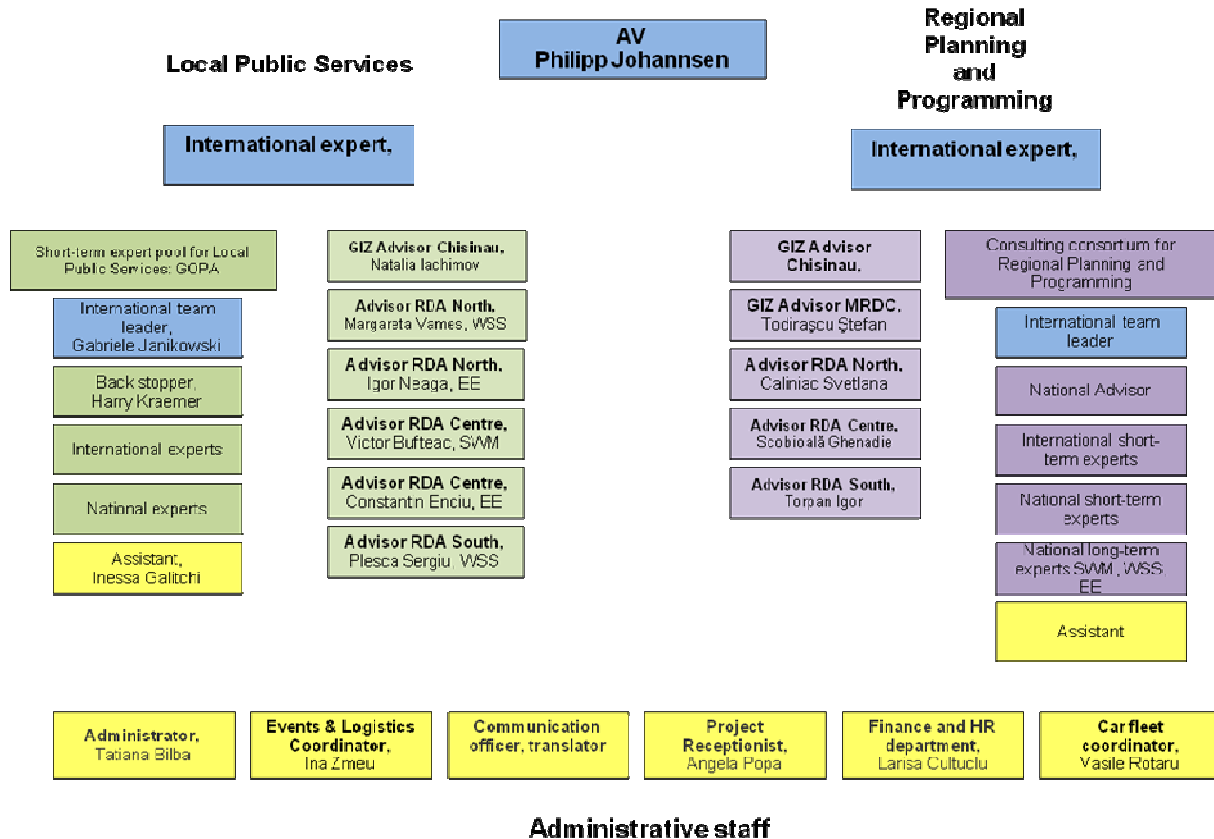
The inter-ministerial WG consist of experts which are members of the Priority Area Steering Groups of the EUSDR. The general secretariat is assured at the moment by the ministry's specialists from the international relations and investments division, and regional development department. An advisory board consisting of representatives from the non-governmental sector, private sector and local public administration is planned to be created in order to ensure an efficient dialog and representative projects. Being the central public administration

institution responsible for regional development policies in the country, MRDC within its Regional Development Agencies will promote the inclusion of the EUSDR relevant actions. In this respect, GIZ, in collaboration

with MRDC, is intended to hire a full time advisor, which will offer support to vice minister in the implementation of the EU Strategy for the Danube region (starting with April 2012 until November 2012).

ANNEXES

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



Annex #2 Regulation on the Cooperation Mechanisms between the German Development Cooperation, the Ministry of Regional Development and Constructions and the Regional Development Agencies



Ministry of Regional Development and Constructions



A P P R O V E D: _____

Marcel RADUCAN, Minister

Date: _____

A P P R O V E D: _____

Philipp JOHANNSEN, Country Representative

Date: _____

Regulation
on the Cooperation Mechanisms
between the German Development Cooperation,
the Ministry of Regional Development and Constructions and
the Regional Development Agencies
in the framework of the project Modernization of Local Public Services
in the Republic of Moldova

Chisinau, 2012

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Abbreviations

BMZ	German Ministry for Economic Cooperation and Development
GIZ	German Development Cooperation
LPA	Local Public Administration
MLPS	Modernization of Local Public Services
MoU	Memorandum of Understanding
MRDC	Ministry of Regional Development and Constructions
RDA	Regional Development Agency
SPD	Single Programming Document
ToR	Terms of Reference

GENERAL PROVISIONS

The Regulation on the Cooperation Mechanism between the German Development Cooperation GIZ, the Ministry of Regional Development and Constructions of Moldova and the Regional Development Agencies sets out the role and principles for efficient cooperation, the goal and objective of cooperation, responsibilities and quality standards of the cooperation between GIZ, MRDC and RDAs within the project “Modernization of Local Public Services in the Republic of Moldova”.

The cooperation is underpinned by the following international Agreements:

- the Agreement on Technical Cooperation between the Government of the Federal Republic of Germany and the Government of the Republic of Moldova dated 28th February 1994;
- the Arrangements within the Negotiation Protocol on developing cooperation between the Government of the Federal Republic of Germany and the Government of the Republic of Moldova, dated 16th November 2009, with reference to the governmental negotiations dated 16th November 2009;
- The technical proposal of the Project “Modernization of Public Services in the Republic of Moldova”; project number 2008.2167.8.
- the Implementation Agreement between the German Development Cooperation and the Ministry of Regional Development and Constructions of the Republic of Moldova.

GOAL, OBJECTIVES AND COOPERATION PRINCIPLES

Goal and objectives

The goal of the cooperation mechanism is to establish an efficient partnership between GIZ, MRDC and RDA in order to facilitate and further the socio-economic development in the regions by ensuring the efficient implementation of MLPS.

The objectives of the cooperation mechanism shall:

- stipulate the responsibilities and standardize the cooperation between GIZ, MRDC and RDAs on the organization and completion of activities at national and regional level within the project;
- ensure the efficient application of technical and financial assistance provided by BMZ and reach the indicators established in the MLPS project.

Based on the above mentioned, the present Regulation:

- Describes the relevant procedures of cooperation between partners on achieving the cooperation objectives set out in the Implementation Agreement between GIZ and MRDC;

- Provides guidance to the personnel of GIZ, MRDC and RDAs on the responsibilities of each party and the standards of cooperation between them in the activities carried out for project implementation;
- Reflects the procedures of technical and financial assistance the parties must abide by;
- Describes the procedures of communication, planning and reporting between the parties.

Principles of cooperation

The mechanism of cooperation between the project partners is based on the following principles:

- *principle of participation* – involvement and cooperation of parties at all stages with a view to implement the project efficiently and reach the objectives and indicators;
- *principle of relevance* – the parties have the right to implement actions aiming to reach the goal and indicators of the MLPS project when planning and in the process of cooperation;
- *principle of equality* – the cooperation of institutions is based on non-discrimination (gender, ethnicity, religion);
- *principle of balance* – the cooperation provides harmony between the rights, obligations and benefits of the parties;
- *principle of accountability* – the parties to the regulation are accountable for issuing and monitoring documents and activities related to the successful implementation of the project, defining some standard procedures of participation in the organizational communication system that clearly sets out the responsibilities and prevents any ambiguity and attempts to abscond from responsibilities.

COOPERATION STANDARDS

The partnership relations between GIZ, MRDC and RDAs are established on the basis of cooperation standards for the following areas of activity:

In the field of project activity planning:

- a) GIZ shall develop and submit the annual plan on project implementation for coordination and approval by the MRDC 30 days before the beginning of the activity year;
- b) GIZ shall coordinate and synchronize the activity plans of MLPS project advisors from the regions with the RDA activity plans;

- c) GIZ shall appoint a person within the MLPS project in charge for coordinating the activities with the MRDC and the RDAs within 10 calendar days from approval of the present regulation and shall inform the MRDC in writing with a copy to the RDA;
- d) GIZ shall develop and submit for coordination the detailed quarterly Action Plans to the MRDC. The quarterly plans shall be developed with the active participation of representatives of MRDC and the RDAs;
- e) The Steering Committee is established with a view to monitor the efficient implementation of the Project.
- f) GIZ shall initiate and organize the Steering Committee meetings of the MLPS project on a quarterly basis.
- g) MRDC and RDAs shall appoint a person from the institution in charge for coordinating the MLPS project activities within 10 calendar days from approval of the present regulation and shall notify GIZ in writing;
- h) The appointed representatives of MRDC and GIZ shall initiate, organize and participate in the Operational Planning Workshops of the parties;
- i) The results of working meetings shall be presented in minutes drawn up by the party that initiated the meeting and shall be transmitted for approval and signing;
- j) MRDC shall make suggestions and comments on the GIZ activity plan submitted for coordination within 15 calendar days upon submission of the plan. Absence of an official approval of documents submitted by GIZ shall be deemed to be positively accepted;
- k) MRDC shall submit written funding requests for national and regional events within 10 calendar days prior to the respective event date;
- l) MRDC and RDAs shall participate proactively in the preparation and effective implementation of the planned meetings of the project Steering Committee, which are initiated and held by GIZ on a quarterly basis;
- m) RDAs initiate and hold working meetings with the participation of GIZ advisors on the identification of activities for the annual, quarterly and monthly plans that requires support from GIZ;
- n) The GIZ shall assist the RDAs in developing Concept Notes of events and activities that require technical, logistical and financial support by GIZ. In addition, the Application Form for events support needs to be filled out (Annex 1);

- o) RDAs shall coordinate and approve with the MRDC the concept notes of regional and national events where technical, logistical and financial support of GIZ is requested at least 20 calendar days prior to the organization of the event;
- p) RDAs shall receive the weekly activity plans of GIZ advisors in electronic format and send them to MRDC with the weekly report of the RDA;
- q) The annual and quarterly activity plan of MLPS shall be approved at the meetings of the project Steering Committee;

In the field of selecting experts and their responsibilities:

- a) GIZ shall employ local and international experts under the Terms of Reference in a competitive and transparent way;
- b) GIZ shall develop and agree the Terms of Reference with MRDC and RDAs for the entire period of experts' assignments;
- c) Where feasible, GIZ shall organize meetings with local and international experts at the beginning of the mission (briefing) and at its completion (debriefing);
- d) GIZ shall submit to MRDC and RDAs intermediate reports (for every visit) and final reports of the experts in line with the objectives set out in the ToR within 30 calendar days from the completion of the assignment (mission). The reports shall be presented in the state language and in English;
- e) GIZ shall agree the specific terms of reference for every individual visit of the expert of local and regional level with RDAs, with a copy for MRDC;
- f) MRDC and RDA shall analyze and approve the ToR for the employment of local and international experts within 10 calendar days. Absence of an approval of ToR communicated by GIZ shall be deemed to be positively accepted;
- g) The ToR shall be agreed in a working regime via email between the person appointed on behalf of the project MLPS of GIZ and the representative of MRDC and RDAs;
- h) MRDC and RDAs shall submit proposals and comments on experts' reports within 10 calendar days; Expert's reports are considered accepted should no comments or proposals be received within this time frame;

In the field of communication and reporting:

- a) GIZ advisors shall submit to the RDA the weekly activity plan and shall participate proactively in working meetings of the RDA, except in cases where

these are overlapping with other meetings and events held by GIZ or where GIZ was invited. In these cases the GIZ advisors shall inform the RDA in the most timely and appropriate manner;

- b) GIZ advisors shall participate in the monthly meetings between the RDA administration, the GIZ administration/representative and the MRDC representative;
- c) GIZ advisors shall take part in the ad hoc meetings announced by MRDC or RDA in case they do not overlap with previously planned activities of high relevance;
- d) GIZ shall submit to the MRDC the agreement and approval of proposals on organizing national and international events in a timely manner. These will be included in the activity plan of the MRDC and/or of RDA for implementation ;
- e) GIZ shall submit to the administration of MRDC/RDAs quarterly and annual reports on progresses/challenges in the implementation of the MLPS project within 20 calendar days from the end of the reporting period;
- f) GIZ shall communicate with MRDC and RDAs' representatives via email and formally in writing. The operational working communication in writing between the employees of GIZ, MRDC and RDAs shall be made via email, with a copy forwarded to the MLPS project manager where feasible;
- g) MRDC/RDAs shall submit to GIZ the annual activity plan and the Results Reports and other relevant information ;
- h) MRDC shall facilitate and take part in the organization of different working meetings with central public institutions, ensure the access to MLPS project goal related information, in order to ensure the successful implementation of the project;
- i) MRDC and GIZ shall inform each other should any discrepancies arise in the implementation process of the MLPS project;
- j) MRDC and GIZ shall take active part in the identification of solutions to the challenges emerging during project implementation;
- k) RDAs shall coordinate actively and facilitate the organization and completion of MLPS project activities in the development regions;
- l) RDAs shall submit proposals and comments on the activity plans and reports of GIZ advisors and experts in proper terms;
- m) RDAs shall agree and participate actively in the organization and implementation of MLPS project activities in line with the activity plan;

- n) The official correspondence between GIZ and MRDC shall be addressed only on behalf of the Heads of the above mentioned institutions or their representatives in case of absence.

In the field of selection and employment of national and regional advisors of the MLPS project:

- a) GIZ shall select and employ national and regional advisors in a competitive and transparent way, based on the job descriptions and qualification requirements agreed with MRDC and RDAs;
- b) MRDC and RDAs shall each appoint one person as member of the assessment and recruitment group;
- c) The duties of GIZ advisors shall be specified in the respective job descriptions and can be updated throughout the activity at the initiative of one of the parties to the present regulation;

In the field of funding of technical assistance activities and capital investments:

- a) GIZ shall provide financial support to the activities that correspond to the activity plan and contribute to the achievement of the project objectives and the performance indicators as specified in the project documents;
- a) GIZ shall identify and select the pilot projects of capital investments within the Call for Project Proposals launched by MRDC through RDAs;
- b) MRDC shall approve with GIZ the projects selected for financing within the MLPS project;
- c) MRDC shall promote the projects corresponding to the regional development policy, co-funded within the GIZ project, to be included in the Unique Program Document and financed by the National Fund for Regional Development (NFRD);
- d) The projects selected by GIZ for financing must be approved by Regional Development Councils (RDC) and included in the Regional Operational Plan;
- e) The mechanism and procedures of funding, monitoring and reporting for pilot projects of capital investments are in line with the following documents: Financing Agreements; Special Agreements on Pilot Project Implementation; and Memorandums of Understanding;
- f) MRDC shall submit the funding requests for additional equipment and furnishings through an official letter to GIZ;
- g) GIZ, in cooperation with MRDC and RDA, shall determine the list of necessary equipment, furnishings and vehicles that are to be procured for MRDC and RDAs; The approved list will be presented to MRDC for information and coordination.
- h) GIZ is in charge for organizing the procurement of assets and services for technical assistance activities in line with its internal Rules and Regulation
- i) GIZ shall transmit to MRDC and RDAs the procured assets, against signature of the deed of acceptance free of charge;
- j) MRDC and RDAs shall ensure acceptance and use of assets in strict compliance with the RDA's activity objectives;
- k) RDAs shall reflect the acceptance of assets from GIZ in the institution's accounts;

-
- l) At the end of the project, MRDC shall submit an internal audit report confirming the receipt and use of assets provided by GIZ to RDAs;
 - m) RDA shall send to the MRDC all additional procurement requests for equipment and furnishings to be funded by GIZ;

FINAL PROVISIONS

The Regulation shall come into force on the date of approval by MRDC and GIZ and is valid throughout the period of implementation of the MLPS project. The Regulation is drawn up in the state language and signed in 2 originals.

The Regulation may be supplemented and adjusted upon initiative of the parties at any stage of project implementation. The amendments to the Regulation shall be included in the minutes of the meeting between MRDC and GIZ and signed by both parties hereto.

Annex #3 Flowchart Regional Planning and Programming

