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Modernization of Local Public Services in the Republic of Moldova

Meeting of the Steering Committee

Reporting period: April – September 2015

8 October 2015



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DEUTSCHE ZUSAMMENARBEIT



Modernization of Local Public Services (MLPS) in the Republic of Moldova

- Based on bilateral government negotiations Moldova-Germany November 2009
- Duration 6 years: 1/2010 – 12/2015
- **Main Institutional Counterparts: Ministry of Regional Development and Construction and the Regional Development Agencies**
- Total budget of 'Modernization of Local Public Services in the RM': EUR 23.9 million:
 - **German** contribution: EUR12.6 million (incl. EUR 4.0 million for investments)
 - Government of **Sweden** - EUR 5.5 million
 - Government of **Romania** - EUR 0.7 million (incl. EUR 0.5 million for investments)
 - **European** Union - EUR 5.0 million
 - **Swiss** Confederation – EUR 0.1 million / EUR 3.2 million
- German Investment Support: EUR 6.8 million



MLPS (stage II): Draft Results Framework

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General Objective

The framework conditions for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision are improved.

Result A: MRDC puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors.

Result B: The RDCs are enabled to coordinate the implementation of regional development strategies.

Result C: RDAs are able to implement the regional development strategies.

Result D: Representatives of rayons, municipalities and local service benefit from demand-oriented training modules of governmental and non-governmental organizations for the modernization of local public services in the priority sectors.

General objective of the project

Improvement of local public services delivery in the Republic of Moldova, by supporting regional and local actors in connecting local needs to regional and national priorities.

Modernization of Local Public Services in the Republic of Moldova

Intervention Area 1 – Local public services

Progress during 1 April – 30 September, 2015
Priorities for 1 October – 31 December, 2015

Main Assumption

- Planned activities lead to achieving the Result of

Intervention Area 1:

Local Public Authorities effectively cooperate and manage improvements of local public services (water supply and sanitation, solid waste management and energy efficiency in public buildings) in the selected communities in pilot rayons

Energy Efficient Street Lighting in Tatarauca Veche commune, Soroca rayon

Improvement of **Solid Waste Management** in Floresti rayon

Improvement of **Water and Sanitation Services** in Riscani rayon

Improvement of **Solid Waste Management** in Soldanesti and Rezina rayons

Increasing **Energy Efficiency** in Orhei Regional Hospital

Improvement of **Energy Efficiency** in Nisporeni Rayon Hospital

Modernization of **Water Supply Public Services** in Leova rayon

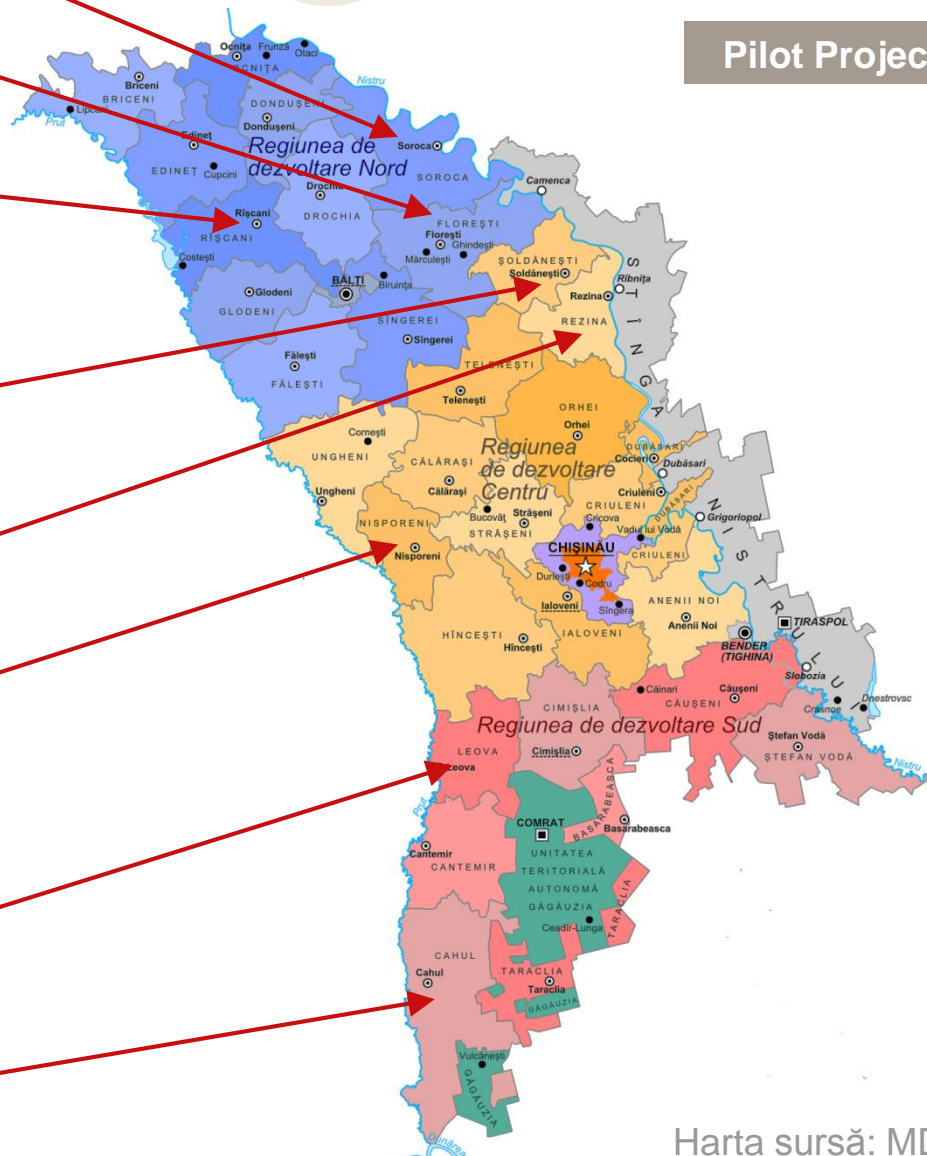
Improvement of **Water and Sanitation Services** in Cahul rayon, including Lebedenco commune



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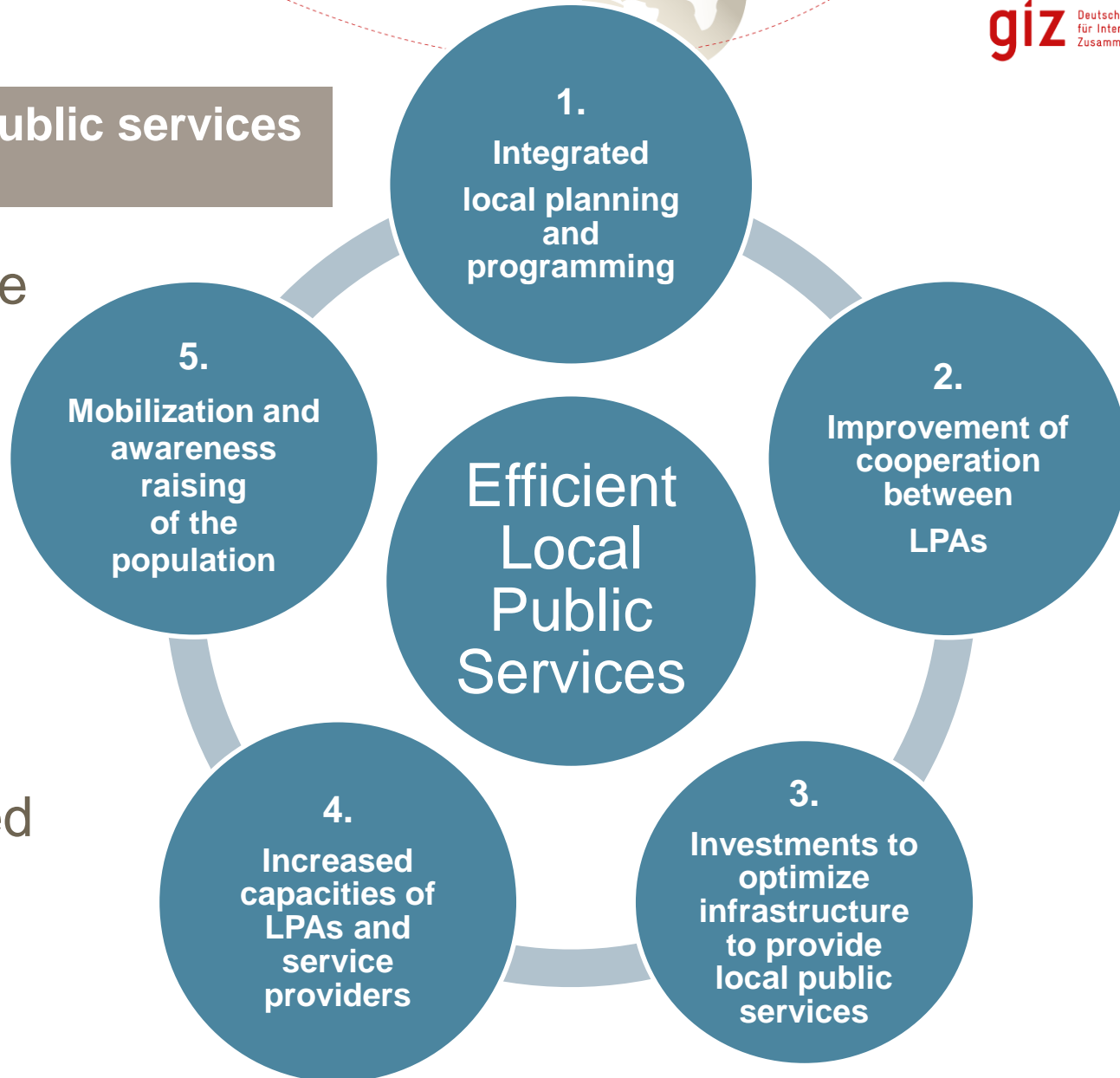
Pilot Projects



Harta sursă: MDRC

Efficient local public services 5 pillar-model

Comprehensive
Approach



... for enhanced
sustainability



Local planning and programming

- Support to Floresti Rayon Council in developing SWM chapter from SEDS; Final draft of the document is presented for public hearings.
- Support for 13 LPA 1 from Soldanesti and Rezina in updating SWM Chapter from local plans; 2 LPAs approved local plans; (13 approved out of 23)
- EE in public buildings Chapter from Orhei rayon SEDS is finalized.
- Support in developing Energy Efficiency Programmes and the Action Plan for public buildings from Orhei and Nisporeni rayons.



Inter-municipal cooperation

- Support for the creation of regional WSS operator in Cahul:
 - ❖ Cahul City Council decided the reorganization of ME Cahul in JSC Apa Canal Cahul as regional operator with several shareholders.
- Support for the creation of regional WSS operator in Riscani:
 - ❖ 9 of 15 local councils from Prut Riscani cluster approved the decision on the signing of the Agreement for the creation of regional operator based on the principle of inter-municipal cooperation.
- 18 of the 23 founders of the JSC Sanitation Soldanesti veered the share capital of the company



Investments measures - achievements

- **Orhei Hospital:** external heating networks – the contract is negotiated; prenatal block insulation- the contract is signed and canceled; installing solar panels-contract signed.
- **Nisporeni Hospital-** Postponing procurement until the situation with ventilation system is clarified.
- **Waterpipe Leova-largara** – procurements will be launched after updating the technical documentation
- The **sanitation system in Rosu v.** – contract signed.
- **Rehabilitation of drinking water purification plant in Cahul** - Re-launching procurement for the 4th time.
- **The sanitation system in Duruitoarea Veche-** offers exceed the available budget;
- **Reconstruction and modernization of waste water treatment station in Costesti, Riscani** – technical documentation needs improvement.
- **Expansion of sanitation system in Costesti, Riscani-** construction works are ongoing.



Valorification of financial investment support (45.2 %)

Name of Project	Amount allocated Euro	Rate
SWM Soldanesti and Rezina; MDS Floresti; EE Tatarauca Veche; AAC Rosu, EE Orhei (phase 1)	5.200.000	100%
WSS Riscani Rayon	955.709	25.3 %
EE Orhei Rayon Hospital (phase 2)	571.491	2.8 %
EE Nisporeni Rayon Hospital	980.000	0%
WSS Leova Rayon	2.580.000	0%
WSS Cahul Rayon	1.215.000	0%



Capacity Development of LPAs and Services Operators

- 4 on the job trainings and 1 training for the personnel of SWM service operators (Soldanesti and Floresti) in various areas of management and administration were delivered.
- Operational Manual and the business plan of SWM service operator JSC 'Sanitation Soldanesti' and JSC 'Floresti Sanitation Services' are developed.
- 2 trainings for WSS operators were conducted in partnership with AMAC. 5 employees of Apa Canal Cahul and Costesti attended.
- The Guide 'Heating, ventilation and air conditioning systems of buildings' is finished, coordinated with partners.
- The Plan on synchronization of investments in Nisporeni hospital is developed and presented to Nisporeni Rayon Council.



Community mobilization

- 4600 citizens were involved in the WSS awareness campaign conducted in Riscani rayon, cluster Prut;
- 6 working sessions of the Local Steering Committees on pilot projects were organized.
- Local Citizen Committee of Costesti commune, Riscani rayon held its first working session in relation to the launch of the sanitation system construction works.
- Local Citizen Committee of Rosu village, Cahul rayon held its first working session in relation to the launch of the sanitation system construction works.



Cross-cutting areas (1)

- The draft IMC Guidelines for WSS and SWM sectors was developed;
- Draft Guidelines on Conflict of Interest in public procurements is presented for comments to partners;
- The draft brochure on the experience and lessons learned in the implementation of pilot projects SWM Soldanesti and Floresti is developed;
- 72 representatives (31 men, 41 women) from 40 WSS operators participated in the training Customer Relationship Management;
- The Practical Guide on PPMs is prepared and submitted for approval to MRDC;
- 6 RDA accountants were trained and certified in the field – ‘Application of the new National Accounting Standards: Normative framework and practical aspects’.



Cross-cutting aspects (2)

- Accounting Policy Model for RDAs was revised and adjusted. The document has been sent to MRDC and RDAs for analysis, coordination and subsequent approval.
- In partnership with CALM, a round table for 30 LPAs/ex-members RDCs was organized to identify lessons learned and recommendations for future members of RDCs.
- The Practical Guide on the implementation of energy management system in public institutions was developed and distributed (900 copies).
- Support for AMAC capacity development through the provision of IT equipment;
- In partnership with AMAC, for 53 participants, was organized a working visit to Expo Apa Bucharest.



Main challenges

- Decision-making process on the establishment of regional operator is delayed by LPAs due to lack of experience and a concept on regionalization of such services;
- The presentation of qualitative information for the development of EE programmes in Orhei, Nisporeni and Soroca rayons is delayed, due to the lack of resources and capacities in LPAs;
- Public procurement: the poor quality of the technical documentation and specifications; small number of bids submitted and non-compliance with the requirements of the tender book;
- Non-compliance of national WSS design standards with international requirements caused cancellation of previously developed documentation for Leova.

Progress achieved within IA 1 pilot projects for the period 1 July– 30 September, 2015

Implementat de

Intervention Area 1 Pilot Projects		LPP	IMC	INV	CC	CM	Estimated average progress
WSS Cahul	Progress level 1 iulie - 30 septembrie 2015	4	2	3	4	3	3
	Implementation level evaluation in % (2010-2015)	90%	55%	58%	50%	80%	67%
WSS Riscani	Progress level 1 iulie - 30 septembrie 2015	4	1	2	4	4	3
	Implementation level evaluation in % (2010-2015)	100%	27%	60%	75%	85%	69%
WSS Leova	Progress level 1 iulie - 30 septembrie 2015	N/A	1	1	4	3	2
	Implementation level evaluation in % (2014-2015)	70%	N/A	10%	12%	5%	24%
SWM Soldanesti și Rezina	Progress level 1 iulie - 30 septembrie 2015	4	2	4	3	3	3
	Implementation level evaluation in % (2010-2015)	92%	92%	77%	70%	75%	81%
SWM Florești	Progress level 1 iulie - 30 septembrie 2015	3	3	1	2	2	2
	Implementation level evaluation in % (2010-2015)	55%	98%	45%	75%	55%	66%
EE Tătărauca Veche	Progress level 1 iulie - 30 septembrie 2015	N/A	N/A	N/A	N/A	N/A	N/A
	Implementation level evaluation in % (2010-2015)	100%	100%	100%	100%	100%	100%
EE Orhei	Progress level 1 iulie - 30 septembrie 2015	1	N/A	2	4	4	3
	Implementation level evaluation in % (2010-2015)	60%	N/A	56%	95%	60%	68%
EE Nisporeni	Progress level 1 iulie - 30 septembrie 2015	2	N/A	1	3	1	2
	Implementation level evaluation in % (2014-2015)	50%	N/A	25%	50%	10%	34%
TOTAL	Progress level1 iulie - 30 septembrie 2015	3	2	2	3	3	3
	Implementation level evaluation in % (2010-2015)	77%	74%	54%	66%	58%	64%



Main activities planned for 1 October – 30 December, 2015

Support RDA and LPA:

- Completion of EE programmes in Orhei, Nisporeni and Soroca;
- Launch of Public Procurement for the development of Technical Documentation for Leova - Iargara water pipe;
- Completion of public procurement; contracting the companies and monitoring the implementation of construction works in pilot projects;
- Establishment/reorganization of Cahul regional operator;
- Organisation of 3 regional conferences in SWM;
- Launch of the implementation of WSS project in Lebedenco commune

Support AMAC:

- Organization of 5 trainings in partnership with AMAC for 40 WSS operators - in total 350 participants;
- Organization of Water week in partnership with AMAC.



Questions and Answers session



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Modernization of Local Public Services in the Republic of Moldova

Intervention area 2 – Regional planning and programming

Progress during 1 April – 30 September, 2015
Priorities for 1 October – 31 December, 2015





Main assumption

Main activities will ensure the achievement of Result

Intervention Area 2:

Regional and local public authorities effectively plan strategic investments in selected priority sectors:



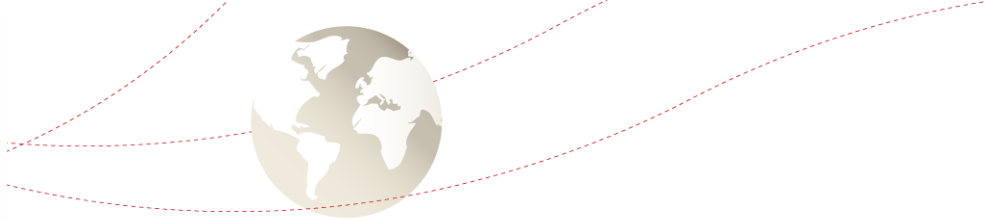


Activity areas

Activity 1:
**Regional sector
planning**

Activity 2:
**RSP
implementation/
projects'
development**

Activity 3:
**Capacity
development
and cross-
cutting areas**

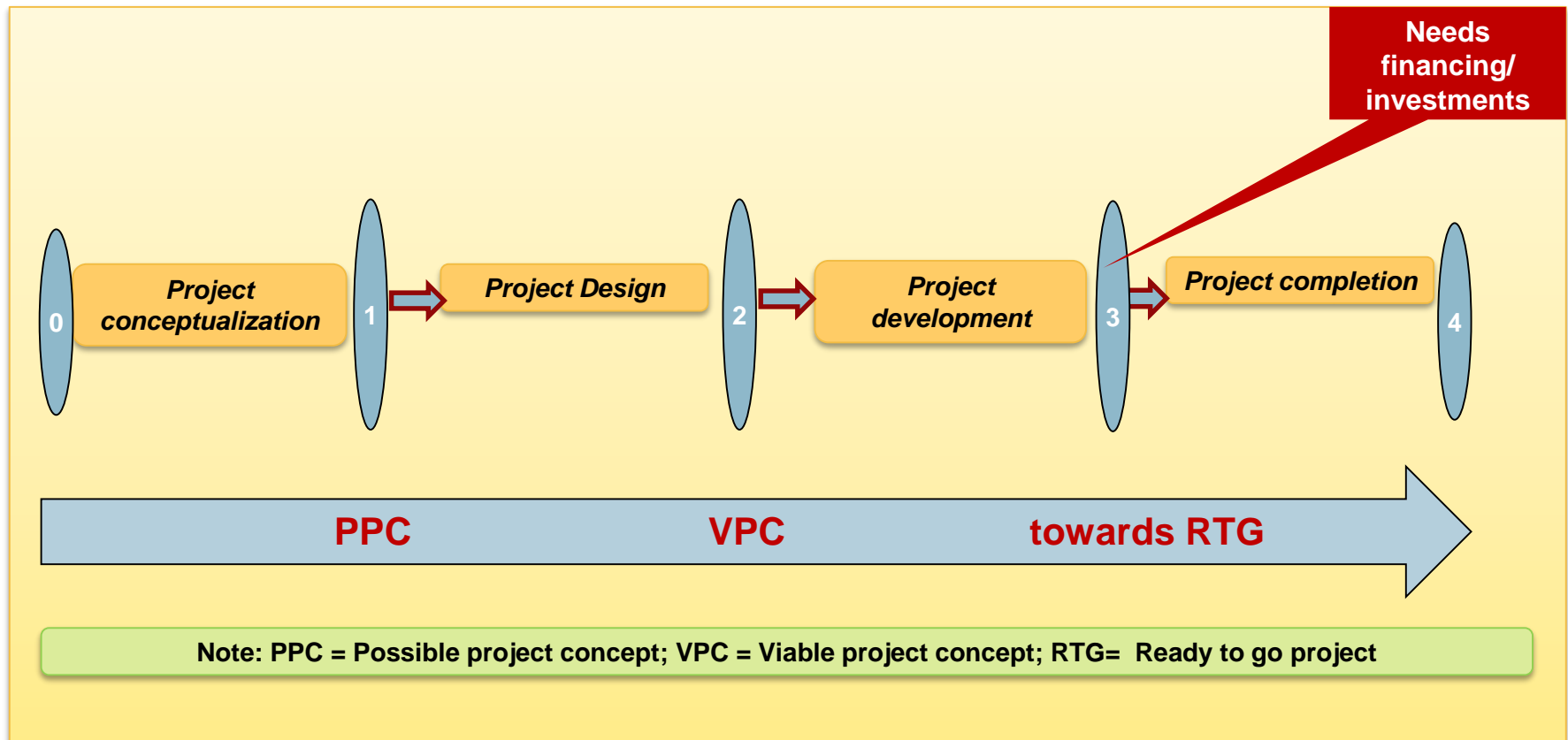


Regional planning and programming

- Regional Sector Planning represents a broad participatory process carried out under aegis of the Ministry of Regional Development and Construction, Regional Development Agencies, with direct involvement of line ministries and local public authorities, resulting in the approval of 11 regional sector programmes by Regional Development Councils.
- The main processes and tools:
 - Coordination of activities between institutions at local, regional and central level;
 - Formation of regional sector working groups;
 - Identification of project ideas, their prioritization based on the agreed methodology and criteria with partners and developing project pipeline in regional development.



Project development



Project pipeline - current situation



Sector	Approval PRS	Project Concepts	Interministerial Commissions	Prioritised concepts for development at advanced stages	Estimated value and development stage of the projects until the end of 2015
Energy Efficiency in Public Buildings	February 2014	124/33	November 2014	13	~ 19 MEUR Development of documentation equal to feasibility studies
Solid Waste Management	February 2014	6/6	April 2015	3	~ 15 MEUR – 1 project with feasibility (South RD) and analyses of impact on environment 2 projects in the amount of ~ 12 MEUR each, development will be possible once the locations for the regional landfills are approved
Regional and local roads	March/ April 2015	28/15	Did not take place	15	~ 138 MEUR The projects are to be submitted to the Ministry of Transport and Road Infrastructure / Road State Administration, as a component part of World Bank Programme on rehabilitation of local roads
Water supply and sanitation	June 2014	45/29	February 2015	12	~ 35 MEUR Development of feasibility studies



Development of database

file:///C:/Users/PC/Desktop/project-database/e_m_en.html

HOME | WATER/SANITATION | SOLID WASTE | ENERGY EFFICIENCY | ROADS | CONTACT | search...

Potential PPC | PPC development | Inter-ministerial Commission | VPC development | VPC ready | Financing Agreement | Final Design | Ready to go

Map showing project locations across Romania and Ukraine, with various cities labeled (e.g., Iași, Orhei, Odessa, Bilhorod-Dnistrovskiy). The map displays numerous house icons, each containing a color-coded bar chart representing data for that location.

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Promoting project pipeline

- Establishing responsibility for the management and maintenance of the database of project pipeline and other communication materials (brochures, summaries and sector priorities, project summaries, etc.);
- Strengthening the ownership of beneficiaries on the project pipeline;
- Promoting one (coordinated) message on investment priorities and project pipeline at all levels ;
- Inter- and intra-ministerial communication on project pipeline;
- Permanent dialogue with development partners.



Capacity development

- Participatory process: organizing workshops with regional sector groups and meetings of project working groups for each sector;
- Knowledge product : Summary of regional planning and projects development pathway;
- Project development: technical assistance at all stages of development, including development of project pipeline;
- Social and gender aspects: methodological approach.



Main challenges

- Lack of mechanisms to harmonize investment funds, including the commitment expressed by donors regarding funding of regional projects;
- Insufficient capacity of local public authorities in developing and implementing major regional projects;
- Deficiencies of sector institutional support required for implementation of projects and low capacity to absorb funds;
- Insufficient inter-ministerial cooperation and underdeveloped inter-municipal cooperation;
- The regulatory framework is inconsistent with implementation practices of high technology.

Overview on the progress achieved within IA2 for the period 1 April-30 September, 2015

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Intervention Area 2		Regional sector programmes	Project development	Capacity building	Total
Energy efficiency in public buildings	Progress level 1 aprilie - 30 septembrie	N/A	2	3	3
	Implementation level evaluation in % (2010-2015)	100%	80%	85%	88%
Solid Waste Management	Progress level 1 aprilie - 30 septembrie	N/A	2	3	2
	Implementation level evaluation in % (2010-2015)	100%	60%	82%	81%
Regional and Local Roads	Progress level 1 aprilie - 30 septembrie	4	3	2	3
	Implementation level evaluation in % (2010-2015)	100%	60%	55%	72%
Water Supply and Sanitation	Progress level 1 aprilie - 30 septembrie	N/A	3	3	3
	Implementation level evaluation in % (2010-2015)	100%	67%	80%	82%
Additional Support to Private Sector	Progress level 1 aprilie - 30 septembrie	4	N/A	3	4
	Implementation level evaluation in % (2010-2015)	90%	N/A	90%	90%
TOTAL	Progress level 1 aprilie - 30 septembrie	4	3	3	3
	Implementation level evaluation in % (2010-2015)	98%	67%	78%	83%



Main activities planned for 1 October – 30 December, 2015

- Completion, handover and taking over by partners/ beneficiaries (local public administrations, Regional Development Agencies, line ministries) of products developed with project's support;
- Further development of the project pipeline and ensuring a sustainable mechanism to promote projects developed on the basis of regional sector programmes;
- Ensuring continuity in involvement of all stakeholders, including dialogue with development partners;
- Presentation of project pipeline at the meetings Regional Development Councils of North, Center and South regions.



Questions and answers session



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Modernization of local public services in the Republic of Moldova

Cross-cutting aspects

Progress during 1 July – 30 September, 2015
Priorities for 1 October – 31 December, 2015





Complementary private sector support

In close cooperation with the Chamber of Commerce and Industry:

- Annual action plan for each development region was approved .
- Database for sector enterprises has been updated by the Chamber of Commerce and Industry.
- 82 economic agents (of which, 33 women and 49 men) from the 3 development regions participated in training sessions focused on the legal aspects regarding participation in procurements in associations and consortia and identification of partners.
- 1 roundtable with participation of 26 representatives (including 10 women and 16 men) was organised. This focused on ethics issues of public procurement and amendments in the legal framework.



Cross-border cooperation

- The model course for the Academy of Public Administration '*Financing regional development measures - using the call for project proposals of the Territorial Cooperation Programme Republic of Moldova - Ukraine, funded under the Eastern Partnership*' was organised.
- The document on 'Cross-border cooperation - instrument of regional development' was developed.

Academy of Public Administration (APA)

- The following courses were organized for LPA I and II:
 - Regional development (1 course).
 - Leadership development in public administration (1 course).
- The development of the course 'Local and regional marketing for sustainable regional development' was initiated .
- A workshop was held with trainers on change management and evaluation of training provided for 3 years in collaboration with APA.



Capacity development in communication

- The second quarterly bulletin on regional development was developed, printed (550 copies) and distributed.
- 3 TV discussions on regional development in the Republic of Moldova were distributed on local channels.



Monitoring and evaluation based on results (MBR)

- Support in development of the draft of Evaluation of NSRD 2010-2012, 2013-2015 is provided.
- Support in development of NSRD 2016-2020 is provided.
- Support was provided in the carrying out of the impact assessment of 5 projects financed from NFRD:
 1. Release of River Bic spring waters in Temeleuti (Călărași Rayon);
 2. Improvement of touristic attractiveness of Centre region by strengthening the existing patrimony in Donici locality (Orhei Rayon);
 3. Connecting the industrial park in Edinet to the access and public utilities infrastructure;
 4. Rehabilitation of leisure zone in Lacul Sărat, Cahul city;
 5. Construction of main pipeline Leova-Filipeni-Romanovca;



Overview of the progress achieved within IA 2, cross-cutting aspects, period July– September, 2015

Intervention Area 2	AAP	CTF	Comunicare	M&E	RD Cross-cutting areas
Progress level 1 iulie – 30 septembrie	3	4	4	4	3
Implementation level evaluation in % (2010-2015)	95%	98%	98%	90%	80%



Main cross-cutting activities planned for 1 October – 31 December, 2015

Support in:

- Organising the ‘Regional development’ course for the local public administration representatives.
- Informing the beneficiaries on the funding opportunities within the cross-border cooperation programmes for 2014-2020.
- Development of the third issue of the quarter bulletin on regional development.
- Completion of the final draft of the evaluation of NSRD for 2010-2012, 2013-2015.
- Completion and presentation to MRDC of the draft NSRD 2016-2020
- Completion of 3 draft evaluations of RDS 2010-2016 (North, Center and South).
- Development of 3 draft RDS 2016-2020 (North, Center and South).



Questions and answers session

- **MLPS Progress Report No. 12** available at:
<http://serviciilocale.md/doc.php?l=ro&idc=69&id=1112&t=/Rapoarte-de-progres/Raport-de-progres-nr-12-octombrie-decembrie-2014-proiect>
- **MLPS Progress Report No. 13** available at:
<http://serviciilocale.md/libview.php?l=ro&idc=69&id=1114&t=/Rapoarte-de-progres/Raport-de-progres-nr-13-ianuarie-martie-2015-proiect>
- **MLPS Progress Report No. 14** available at:
<http://www.serviciilocale.md/doc.php?l=ro&idc=69&id=1169&t=/Rapoarte-de-progres/Raport-de-progres-nr-14-aprilie-iunie-2015>
- **Sector Regional Programmes** available at:
<http://serviciilocale.md/pageview.php?l=ro&idc=94&id=694&t=/Cadru-legal-si-institutional/Dezvoltare-regionala/Programe-Regionale-Sectoriale/>
- **Annual activity plan for 2015** available at:
http://serviciilocale.md/public/files/2014_12_22_MLPS_Annual_Plan_2015_LB_RO.pdf



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