



# Modernization of Local Public Services in the Republic of Moldova

## STEERING COMMITTEE MEETING

*23 June, 2017*





## Modernization of Local Public Services in the Republic of Moldova

- Based on bilateral government negotiations Moldova-Germany
- Phase 1: **1/2010 – 12/2015**;
- Phase 2: **01/2016 – 12/2018**; extension foreseen until **12/2020**
- **Main Institutional Counterpart:**  
Ministry of Regional Development and Construction (MRDC) and the Regional Development Agencies (RDAs) North, Center, South and ATU Gagauzia
- **Technical Assistance provided by :**  
GIZ on behalf of the German Ministry for Economic Cooperation and Development (BMZ)



## Framework conditions of MLPS

- Implementation of 3.7 million EUR Swedish-co-financing started
- EU 3.5 million EUR co-financing is signed by both parties and implementation started
- EU 39.8 million EUR co-financing is under finalization and signatures are required by August, 2017
- Successful Bilateral Government Consultations Germany – Moldova carried out; agreement of further BMZ-increase to MLPS; pending exchange of diplomatic notes on previous BMZ-commitments
- Request to BMZ on extension until 12/2020 is submitted
- Upcoming change of Project Manager/Country Director





## MLPS – phase 2

**Intervention Area I**  
Support in Coordination of Regional  
Development Policy

**Intervention Area II:**  
Support to Regional Development  
Councils

**PROJECT OBJECTIVE:**  
Improve the framework conditions for  
a citizen-oriented implementation of  
regional development policy in  
priority sectors of local public service  
provision

**Intervention Area III:**  
Support to Regional Development  
Agencies

**Intervention Area IV**  
Institutionalisation of Training and  
Capacity Development



## Priority Sectors covered by MLPS



Water Supply and Sanitation (WSS)



Solid Waste Management (SWM)



Energy Efficiency of Public Buildings (EE)



Regional and Local Roads (RLR)



## Intervention Area I

# Support in Coordination of Regional Development Policy





## Intervention Area I: Support in Coordination of Regional Development Policy

### Achievements during January – June 2017

- National Strategy for Regional Development 2016-2020 was published in the Official Gazette No. 30-39 dated 03.02.2017
- Action Plan for the National Strategy for Regional Development 2016-2020 was developed and approved by National Coordination Council for Regional Development and Government
- New draft Law on Regional Development was developed and submitted to the Minister of Regional Development and Construction for initial approval and further public consultations





## Intervention Area I: Support in Coordination of Regional Development Policy

### Achievements during January – June 2017

- Draft Monitoring & Evaluation framework of National Strategy for Regional Development 2016-2020 was approved by National Coordination Council for Regional Development and is undergoing consultations with line ministries and RDAs
- Support to Parliamentary Commission for Public Administration, Regional Development, Environment and Climate Change started



## Intervention Area I: Support in Coordination of Regional Development Policy

### Next steps during July - December 2017

- New draft Law on Regional Development is launched for public consultations
- Implementation of National Strategy for Regional Development 2016-2020 is subject to public consultations and awareness by the Parliamentary Commission for Public Administration, Regional Development, Environment and Climate Change
- Results-based monitoring framework for the National Strategy for Regional Development 2016-2020 and Regional Development Strategy is in place.
- Facilitation on policy coordination related to EU 39.8 million EUR co-financing is provided



## Intervention Area I: Support in Coordination of Regional Development Policy

### Next steps during July - December 2017

- Analysis and advice on synergizing the National Fund for Regional Development, National Ecological Fund and Energy Efficiency Fund and local investment budgets is provided
- Draft regulation of the new Ministry of Agriculture, Regional Development and Environment is developed
- Implementation of the MRDC Communication Strategy is carried out



## Intervention Area II

# Support to Regional Development Councils





## Intervention Area II: Support to Regional Development Councils

### Achievements during January – June 2017

- Draft regulations for the Regional Sector Commissions developed by working groups from each Regional Development Council
- Formal decision by Regional Development Councils regarding establishment of Regional Sector Commissions is expected by June 2017
- As agreed during the last MLPS Steering Committee, sectoral ministries are expected to designate representatives to co-chair the Regional Sector Commissions
- International and national short term expert pool to support citizen engagement in the delivery of local public services has been established



## Intervention Area II: Support to Regional Development Councils

### Next steps July – December 2017

- One Civil Society Organization/Consortia in each Development Region is to be selected to improve transparency and accountability of public services projects
- EU is considering an additional contribution of 5 million EUR for upscaling the above approach
- Local Public Authorities is supported via Civil Society Organization/Consortia on local planning, awareness raising and inter-municipal cooperation using participatory methods
- Water Supply and Sanitation and Energy Efficiency in public buildings regional sector programmes for ATU Gagauzia are developed
- Consulting/expert pool to support Regional Sector Commissions in development and implementation of the regional sector plans is established



## Intervention Area III

### Support to Regional Development Agencies





## Intervention Area III: Support to Regional Development Agencies

### Achievements during January – June 2017

- Costesti waste water treatment plant, Cahul drinking water purification plant and Rosu canalization are completed
- Multipartite agreement regarding Cahul - Lebedenco - Vulcanesti Water Supply and Sanitation project is reached and technical design company selected
- Due diligence procedures regarding 10 Water Supply and Sanitation and 8 Energy Efficiency in public buildings public services projects are completed; related technical design themes are under development
- Final draft of “Implementation Manual for investment measures using EU funding” is completed and will be circulated for final comments





## Intervention Area III: Support to Regional Development Agencies

### Achievements during January – June 2017

- Contract package for EU 3.5 million EUR co-financing is completed and signed
- Pre-final draft of contract package for EU 39.8 million EUR is completed
- Romanian co-financing for Rosu canalization connections is extended to June 2018
- Extension of German Fund for Regional Development until December 2018 is requested; formal approval is pending.



## Intervention Area III: **Support to Regional Development Agencies**

### **Next steps July - December 2017**

- Contracted technical design services for Swiss Agency for Development and Cooperation / EU financed Cahul-Lebedenco Water Supply and Sanitation project (0.330 million EUR)
- Tender for construction of Leova-Iargara WSS project (3.5 million EUR) is launched
- Tender for Calarasi Hospital Energy Efficiency in public buildings project is relaunched



## Intervention Area III: Support to Regional Development Agencies

### Next steps July - December 2017

- “Implementation Manual for investment measures using EU funding”, incl. new procurement regulation is completed and introduced to RDAs and private sector
- Kick-off of implementation of EU 3.5 million EUR co-financing
- Tenders for 18 technical design projects are launched
- Finalization and signature of contract package for EU 39.8 MEUR



## **Intervention Area IV**

# **Institutionalisation of Trainings and Capacity Development**





## Intervention Area IV: Institutionalisation of Training Modules

### Achievements during January – June, 2017

#### (1) Institutionalisation of Demand-oriented Training Modules

- Training methodology in the Water Supply and Sanitation and Energy Efficiency in public buildings completed and validated
- 3 training modules are piloted („Regional Marketing“ with APA; „Human Resources Management“ and „Investment Projects“ for Water Supply and Sanitation operators with Technical University of Moldova)
- 7 previously developed training modules reimplemented (160 participants, 71% female)



## Intervention Area IV: Institutionalisation of Training Modules

### Achievements during January – June, 2017

#### **(2) Support Organisational Development of Training Institutions**

- Development of two Action Plans for Institutional Development of training institutions complemented and implementation initiated

#### **(3) Support to Exchange and Networking**

- 3rd Local Government Open Forum on ‘Modernisation of Local Public Services’ organised by APA on 29 March
- Study visit for design companies to Romania in partnership with the Chamber of Commerce and Industry organized



## Intervention Area IV: Institutionalisation of Training Modules

**Next steps during July - December, 2017**

### **(1) Institutionalisation of Demand-oriented Training Modules**

- 4 new training modules piloted („Public Property Management“ with the Academy of Public Administration; „Public Procurements“ for Water Supply and Sanitation operators with Technical University of Moldova; 2 modules in the field of energy efficiency / Technical University of Moldova)
- 7 previously developed training modules re-implemented



## Intervention Area IV: Institutionalisation of Training Modules

### Next steps during July - December, 2017

#### **(2) Support Organisational Development of Training Institutions**

- Prioritised measures from the Action Plans for Institutional Development of training institutions are implemented

#### **(3) Support to Exchange and Networking**

- 4th Local Government Open Forum organised by the Academy of Public Administration
- (Inter-)National Conference in the Water and Sanitation Sector is organised
- Exchange between Moldova, Georgia and Ukraine on “Regional Development” chapters in the EU-Association Agreement is initiated





# **MLPS key challenges for discussions and decisions**



## Intervention Area I: Support in Coordination of Regional Development Policy (1)

- With reference to the Law on Regional Development, lack of certainty regarding future role/mandate of Regional Development-institutions, their relation to future combined ministries
  - **Recommendations/decisions:** To work in close coordination with Centre for Implementation of Reforms
- Lack of certainty on future composition/mandate of National Coordination Council for Regional Development /MLPS Steering Committee
  - **Recommendations/decisions:** To develop a proposal on new Steering Committee set-up in accordance with the new Government structure.



## Intervention Area I: Support in Coordination of Regional Development Policy (2)

- Overlapping support to Cahul/Vulcanesti Water Supply and Sanitation project in Gagauzia
  - **Recommendations/decisions:** Water Supply and Sanitation
  - ❖ Representatives of ATU Gagauzia to confirm that Vulcanesti will use the water pipeline Cahul –Vulcanesti as a default source of water; TIKa support exclusively for creation of back up option
  - ❖ To include representatives of Turkish Cooperation and Coordination Agency and Vulcanesti in the Local Steering Committee



## Intervention Area II: Support to Regional Development Councils (1)

- Clarification of the issue for compensation of expenses of members of the Regional Development Councils is pending
  - **Recommendations/decisions:** To carry out an analysis of related legal framework and provide recommendations for necessary legal/normative amendments to ensure payment of sitting allowances for Regional Development Council members
  
- Secretariat services for Regional Sector Commissions are required
  - **Recommendations/decisions:** Regional Development Agencies with support of MLPS to ensure secretariat services for Regional Sector Commissions



## Intervention Area II: Support to Regional Development Councils (2)

- Limited public confidence in procurement processes
  - **Recommendations/decisions:** To promote citizen engagement by providing toolkits to local citizen committees to raise awareness and increase social accountability



## Intervention Area III: Support to Regional Development Agencies (1)

- Additional support to RDAs involvement in EU co-financing is under discussion
  - **Recommendations/decisions:** Encourage MRDC & RDAs to agree on the presented concept
- Low number/quality of bids and need for substantial increase of outreach activities
  - **Recommendations/decisions:** To provide support related to private sector capacity development measures via Chamber of Commerce and Industry and professional associations



## Intervention Area III: Support to Regional Development Agencies (2)

- Tight timeline for implementation of the Swiss Agency for Development and Cooperation financed Cahul-Lebedenco Water Supply and Sanitation component
  - **Recommendations/decisions:** SDC to consider extension of implementation timeline of SDC co-financing to 12.2018
- Riscani/Costesti Water Supply and Sanitation project due Diligence Procedure requires changes of the foreseen scope of EU financed measures
  - **Recommendations/decisions:** MLPS to identify feasible solutions within the available budget jointly with the partners



## Intervention Area III: Support to Regional Development Agencies (3)

- Leova Water Supply and Sanitation project Due Diligence Procedure and partner discussions require changes of the foreseen scope of EU financed measures
  - **Recommendations/decisions:** Leova Council to present the request for changes for the approval of the Regional Development Council and ultimately, National Council for Regional Development





## Intervention Area III: Support to Regional Development Agencies (4)

- Solid Waste Management trucks Floresti – pending criminal investigation blocs spending of earmarked funds:
  - **Recommendations/decisions:** To develop a scenario B for reallocation of funds and consider its application, depending on the result of the investigation.
- Cahul distraint of vehicles by authorities
  - **Recommendations/decisions:** Request involved fiscal institutions to address the issue without targeting donor financed means and release vehicles from distraint



## Intervention Area IV: Institutionalisation of Trainings and Capacity Development

- Lack of realistic scenario for sustainable financing of developed training modules after end of MLPS-support
  - **Recommendations/decisions:** To elaborate an exit strategy with each training institution to ensure sustainability of the developed training modules



**All presentations can be accessed at**  
**[www.serviciilocale.md](http://www.serviciilocale.md)**

**MLPS Progress Report No 3:**

**<http://www.serviciilocale.md/doc.php?l=en&id=1400&idc=69&t=/Progress-Reports/Progress-report-No-3-MLPS-phase-2-January-March-2013/>**

**Draft MLPS Operational Plan (2016-2018):**

**[http://serviciilocale.md/public/files/plan\\_operational/2017\\_06\\_22\\_MSP\\_L\\_2.0\\_Plan\\_Operational\\_AD\\_EN.pdf](http://serviciilocale.md/public/files/plan_operational/2017_06_22_MSP_L_2.0_Plan_Operational_AD_EN.pdf)**



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'Modernization of Local Public Services in the Republic of Moldova'  
Project  
Chișinău, 66 Bernardazzi str

T + 373 22 22-83-19


F + 373 22 00-02-38

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