



Progress report No.7

on the implementation of GIZ project
'Modernization of Local Public Services in the Republic of
Moldova' phase 2

Reporting period: 1 January – 30 June 2018

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MLPS project is co-financed by:



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CONTENTS

Acronyms and abbreviations.....	3
1. Executive summary	5
2. Project background and methodology.....	6
3. Progress towards the project outcome.....	8
4. Achievements of the project specific objectives	8
4.1 <i>Intervention area 1 specific objective</i>	8
4.2 <i>Intervention area 2 specific objective</i>	10
4.3 <i>Intervention area 3 specific objective</i>	11
4.4 <i>Intervention area 4 specific objective</i>	14
4.5 <i>Cross-cutting issues</i>	17
5. Communication and visibility.....	17
6. Ensuring the sustainability of measures/interventions.....	18
7. Overview of key activities/milestones for the next reporting period	19
8. Opportunities and challenges/risks	19
9. Lessons learnt and recommendations	20
Annex 1. Status of procurement procedures for infrastructure projects.....	21
Annex 2. Status on public services projects implementation (by RDAs and pillars).....	22

Acronyms and abbreviations

ACAP	Association of Professional Accountants and Auditors of the Republic of
AMAC	Moldovan Water Supply Association
APA	Academy of Public Administration
BMZ	German Ministry of Economic Cooperation and Development
CCEEEP	Centre for Continuous Education in Energy Efficiency in Public Buildings
CCI	Chamber of Commerce and Industry
CSO	Civil society organization
EE	Energy Efficiency
EEA	Energy Efficiency Agency
EEF	Energy Efficiency Fund
EU	European Union
GIZ	German Development Cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit
IMC	Inter-Municipal Cooperation
LCC	Local Citizens Committee
LPA	Local Public Administration
LSC	Local Steering Committee
MARDE	Ministry of Agriculture, Regional Development and Environment
MDL	Moldovan Leu
MEI	Ministry of Economy and Infrastructure
MIn	Million
MLPS	Modernization of Local Public Services in the Republic of Moldova
MoU	Memorandum of Understanding
NEF	National Ecological Fund
NFRD	National Fund for Regional Development
OECD	Organisation for Economic Co-operation and Development
QMS	Quality management system
RBM	Results-based monitoring
RD	Regional Development
RDA	Regional Development Agency
RDC	Regional Development Council
RDS	Regional Development Strategy
RLR	Regional and Local Roads
RSC	Regional Sector Commission
SDC	Swiss Agency for Development and Cooperation

SEDS	Socio-Economic Development Strategy
SWM	Solid Waste Management
TA	Technical assistance
ToR	Terms of Reference
ToT	Training of Trainers
TUM	Technical University of Moldova
UN	United Nations
WSS	Water Supply and Sanitation

1. Executive summary

Project title	Modernization of Local Public Services in the Republic of Moldova
Project duration	March 2016 – December 2020
Reported period	January - June 2018
Project objective	The framework conditions for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision are improved
Intervention area specific objectives	<p>MARDE puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors;</p> <p>RDCs are enabled to coordinate the implementation of regional development strategies;</p> <p>Capacities of the RDAs to implement regional development strategies (developed by them) have improved;</p> <p>Representatives of rayons, municipalities and local service providers benefit from demand-oriented trainings for the modernization of local public services in the priority sectors.</p>
Project partners, stakeholders and target groups	<p>The target group of the development measure is the population in selected Local Public Authorities from the four Development Regions North, Centre, South and Gagauzia. Key partners of the project include the Ministry of Agriculture, Regional Development and environment (MARDE)¹, Regional Development Councils, Regional Development Agencies and LPAs from the aforementioned regions.</p> <p>In addition to the key partners, the project cooperates closely with Academy of Public Administration; Technical University of Moldova, Association 'Moldova Apa-Canal' (Water Utilities Association), Energy Efficiency Agency, Chamber of Commerce and Industry as well as State Chancellery, Ministry of Economy and Infrastructure.</p>
Key achievements for reported period	<p>Draft Government decision and Regulation on the new national agency that will manage the National Ecologic Fund (NEF) and National Regional Development Fund (NFRD) consulted with all stakeholders and prepared for Government's approval.</p> <p>Enhanced capacities of Parliamentary Committee for Environment and Regional Development in oversight of implementation of regional development policies developed and implemented by the Government.</p> <p>Work plans for 2018 in WSS and SWM sectors developed as result of consultations with LPAs and service operators, and approved by the regional sector commissions. ATU Gagauzia development region developed the regional</p>

¹ Previously, Ministry of Regional Development and Construction.

	<p>sector programmes for WSS, EE and RLR, including list of possible project concepts.</p> <p>RDAs capacitated to organize and carry out processes for procurement of design services in line with EU procedures and practices and awarded contracts to 9 out of 18 investment projects.</p> <p>Five out of nine courses developed in cooperation with APA institutionalized and included in the 2018 curriculum of professional development courses</p>		
Key challenges/risks for reported period	<p>Unclearities on territorial administrative reform still create delays in the development of the legal and normative framework related to regional development.</p> <p>Poorly developed local market on design services for water supply and sanitation and energy efficiency sectors imposes diminishing eligibility criteria which leads to the risk of contracting companies with limited capacity and experience to implement the large contracts.</p>		
Project budget, including co-financing	Donor	Amount, EUR	Implementation timeframe
	Gov. of Germany (TA)	3,700,000	Mar 2016 – Dec 2020
	Gov. of Sweden (TA)	3,700,000	Nov 2016 – Dec 2018
	Swiss Agency for Development and Cooperation, <i>including finance agreements</i>	3,190,372 <i>2,131,800</i>	Mar 2016 – June 2018 <i>Mar 2016 – June 2018</i>
	Gov. of Romania	205,283	Mar 2016 – June 2018
	European Union (TA)	321,107	Mar 2016 – Sep 2017
	European Union, design stage	3,500,000	Sep 2017 – Dec 2018
	<i>including FAs</i>	<i>2,400,000</i>	<i>Dec 2017 – Dec 2018</i>
	European Union, construction stage	39,800,000	Dec 2017 – Mar 2021
	<i>including FA</i>	<i>32,400,000</i>	<i>Dec 2017 – Mar 2021</i>
	Total	54,416,762	

2. Project background and methodology

Since 2010, GIZ is implementing the project 'Modernization of Local Public Services in the Republic of Moldova' (MLPS) under the commission of the German Ministry for Economic Cooperation and Development (BMZ).

At the beginning of 2016, the implementation of the 2nd phase of the MLPS project commenced. The project builds on the results of the first phase and has a timeframe for project implementation for the period 03/2016 – 12/2020.

The Project focuses its support in four priority sectors: water supply and sanitation (WSS), energy efficiency in public buildings (EE), solid waste management (SWM) and regional and local roads (RLR).

In addition, the project contributes to the achievement of the sustainable development goals (SDGs) 5 (Gender Equality), 6 (Clean Water and Sanitation), 9 (Industry, Innovation and Infrastructure), 11 (Sustainable Cities and Towns), 12 (Responsible Consumption and Production), 13 (Climate Policy) and 16 (Peace, Justice and Strong Institutions), as well as to the implementation of international environmental standards.

Project background

During the reporting period high level of political pressure is still characterising the context. The main challenge continued to be the central public administration reform. After its creation, the Ministry of Agriculture, Regional Development and Environment (MARDE) has not completed its internal reorganisation process. The new agency to ensure administration of and synergies between the National Fund for Regional Development and the National Ecological Fund is still in process of being created.

In relation to the sector frameworks, one new regulation on water supply in small settlements was approved (see below in section 4.1), which provides for a few new standards.

The Moldovan government is developing a draft national strategy "Moldova 2030" to implement the Agenda 2030. Regional development and infrastructure is one of priority sectors with a working group created and involving MARDE and other relevant stakeholders.

Methodological approach

The project consistently applies a multi-level and multi-stakeholder approach to improve the framework conditions for the modernization of local public services in four priority sectors. To implement the investment measures, partner systems are used as far as possible, thus avoiding the creation of parallel implementation structures.

The MLPS project is structured around four intervention areas:

- I. Policy and strategy advice for improving framework conditions for implementation of regional development policy;
- II. Improvement of coordination and monitoring of Regional Development Strategies (RDSs);
- III. Improvement of development and implementation of Regional Development Strategies (RDSs);
- IV. Institutionalisation of training and capacity development measures.

Measures to improve local service delivery are part of a comprehensive 5-pillar approach for capacity development in (i) establishing integrated local planning procedures, (ii) establishing inter-municipal cooperation structures, (iii) assisting in the institutionalization of adapted trainings and education for service operators and local authorities, and (iv) implementation of awareness raising and mobilization policies for citizens. The complementary funding of infrastructure projects via funds from the German Regional Development Fund and funds from the EU, Switzerland and Romania represent the fifth element (v) of the approach.

Synergies with other projects and donors

The German Fund for Regional Development provides financial support, EUR 7,300,000, to a number of projects aimed at improving local public services delivery in the WSS, EE and SWM sectors. By the end of 2018 the funds will be used and the remaining pilot project, WSS Leova, will be closed.

A close synchronization and coordination of MLPS project implementation continues with the project "Inter-municipal Water Management along the Dniester", which uses the same modalities of

implementation for investment measures in WSS project in Ustia, Criuleni through the regional development agency (RDA) as contracting authority.

3. Progress towards the project outcome

The project objective to improve the framework conditions for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision remains attainable within the duration of the project. The indicators 2 and 3 of the project objective have been already partially achieved during the reporting period: 18 infrastructure measures in water supply, sanitation and energy efficiency in public buildings are currently in the technical design phase – 8 projects out of 10 in WSS and 1 project out of 8 in EE has the design companies identified to be contracted.

In the first half of 2018 the National Coordination Council for Regional Development (NCCRD) had a meeting and approved the budget for 2018 in the amount of MDL 185 mln for implementation of regional development projects.² In total, since the beginning of the project, approx. EUR 45.7 mln were mobilized to finance investment measures, EUR 9.2 mln granted by national funds, and EUR 36.5 mln by international donors.

4. Achievements of the project specific objectives

During the reporting period January – June 2018, MLPS together with its partners achieved the following results and progress in its four intervention areas (IA).

4.1 Intervention area 1 specific objective

Specific objective 1 envisages for the MARDE to put in place a coherent framework for the effective implementation of the national regional development policy in the priority sectors.

Adjusted national framework

During the reported period, the draft Government Decision and Regulation on the new national institution that will manage the National Ecologic Fund (NEF) and National Regional Development Fund (NFRD), drafted by MARDE with the project support, was put for public consultations³ and reviewed by State Chancellery and other relevant line ministries. There is an overall endorsement of creation of this institution. MARDE reviewed the feedback and prepared the final documents to be submitted for final approval by the Government, which is expected in the third quarter of 2018.

The analysis of the normative and legislative basis in spatial planning and landscape planning, planned for this half of the year, was postponed due to the pending approval of the Code on Urbanism and Constructions by the Parliament. This is also due to unclarity with the administrative subordination of the Spatial Planning and Urbanism departments, where the former is currently under MARDE and the latter is under Ministry of Economy and Infrastructure. In this context, the study visit

² <https://mei.gov.md/ro/content/consiliul-national-de-coordonare-dezvoltarii-regionale-aprobat-planul-anual-de-finantare>

³ <http://www.particip.gov.md/proiectview.php?l=ro&idd=5184>

to Romania for exchange of experience on spatial planning planned for the first semester of 2018, had to be postponed for September-October, 2018.

The capacity of the Parliamentary Committee for Environment and Regional Development is continuously strengthened. With MLPS support, the members of the Committee carried out two monitoring visits to development regions South (on 28.02.2018 with participation of 8 members and staff (including 1 woman)),⁴ and Gagauzia (on 23.05.2018, with participation of 11 members and staff, including 3 women), respectively.⁵ Given the completion of visits to all development regions, a resolution of the Committee with conclusions and recommendations will be issued and discussed within an internal workshop and, ultimately, a public hearing on the implementation of the NSRD 2016-2020

MLPS continued to provide its support to the national Working Group in solid waste management. On 20 February a meeting of the Working Group was held, where the results of the feasibility studies in waste management zones 5 and 8, as well as the activities carried out with the support of the project within the Regional Sectorial Commissions in SWM and challenges were discussed. Additional meeting on SWM and WSS sectors development was organized with MARDE on 15 May. Although discussions on possibilities and recommendations for collaboration between LPAs on regionalization of services were held, there is still no clear vision and perspectives for development of SWM sector. If requested, MLPS will support the communication further between all stakeholders based on the Government's priorities in this sector.

Outside MLPS work plan and as a continuation of a joint effort of Ministry of Economy and Infrastructure, United Nations in Moldova, SDC and OECD, substantive contributions were provided in the revision and completion of the New Regulation on WSS standards for small settlements in the Republic of Moldova. Most recommendations provided by MLPS were taken into account. The final regulation was approved by the Order of Minister of Economy and Infrastructure no.179 as of 4 April 2018.⁶

Result-based monitoring and evaluation system

The continuous advisory support to MARDE new staff responsible for RBM is being provided by the project. Given that the regional development policy implementation function will be transferred to the new agency, the monitoring and evaluation system for the NFRD projects will be subject to changes. In this context, it was agreed with MARDE to extend MLPS support in this area once the new national agency is created.

The results-based monitoring (RBM) system used by RDAs is revised according to the current national indicators agreed, and changes to it implies a complex exercise considering the ongoing contextual changes. The draft guidelines on revised RBM system on NSRD and regional development strategies (RDS) is currently under consultations with the RDAs. In this context, a joint workshop on revised RBM for NSRD and RDS for final conclusions and initiation of implementation is foreseen in the 3rd quarter of 2018. In the meantime, RDAs and LPAs received support in developing the RBM system for the public services projects in EE and WSS co-financed by EU, which entered into the national and regional RBM system.

⁴ <http://adrsud.md/libview.php?l=ro&idc=340&id=3616&t=/Presa/Noutati/Parlamentari-din-Comisia-mediu-i-dezvoltare-regionala-au-efectuat-vizite-de-monitorizare-in-Regiunea-de-Dezvoltare-Sud>

⁵ <http://adrgagauzia.md/libview.php?l=ru&idc=340&id=3524&t=/precca/novocti/parlamentckaea-komicciea-po-okrujaiusei-crede-i-regionalinomu-razvitiu-pocetila-agrohimizeckuiu-laboratoriu-na-baze-komratckogo-gocudarctvennogo-univerciteta>

⁶ <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=375005>

Communication on regional development

To further increase the communication capacity of MARDE and RDAs, on 26-27 June, 2018 communications specialists (4 women and 3 men) had the opportunity to participate in a workshop, on techniques of interviewing, writing features and success stories.⁷ The knowledge will be further applied in day-to-day work but also in development of the MARDE newsletter.

The 9th issue of the MARDE newsletter was planned to be published by the end of June 2018 but since the content required more time for editing and translating, the publishing of the newsletter was re-scheduled for July-September 2018. Also, the project will support MARDE with updating its visual identity and brand book in line with the new mandate, for which a company was contracted to finalize the assignment by end of September 2018.

In order to increase mass media's interest in regional development another study visit, in North development region, was organised on 19 June, 2018. Seven national and regional journalists (2 men and 5 women) visited 3 regional development projects and as result national and regional media outlets published and broadcasted 10 media articles (print, TV and radio) (as of 30 June 2018).⁸

4.2 Intervention area 2 specific objective

The objective 2 envisages for the Regional Development Councils (RDCs) to have capacities for an effective coordination of RDSs.

During the first half of 2018 regional sector commissions in three development regions (North, Centre and South) met twice to discuss progress in the sector and develop the work plans for 2018 in WSS and SWM sectors. Additionally, in consultations with local authorities and service operators, an assessment of the current status in the two sectors and collection of possible proposals for improvement were carried out and recommendations for development were discussed for the two sectors. Four work plans out of six developed with the support of the project were discussed in June during the sector commissions' meetings and are expected to be approved by the Councils within the following meetings in July-September.⁹

Also, MLPS supported with completion and handing over of two feasibility Studies in SWM (for waste management zones 5 (Ungheni, Calarasi and Nisporeni rayons) and 8 (Edinet, Briceni, Ocnita and Donduseni rayons), discussed above in section 4.1) to LPAs beneficiaries on 15 March 2018.

ATU Gagauzia development region was supported in developing the regional sector programmes for WSS, EE and RLR, including list of 22 possible project concepts. The documents developed following the principles of transparency and presented for public consultations¹⁰ will be approved by the RDC during following months.

In order to support RDC members capacity development, MLSP is organising experience exchange visits between the development regions of Moldova and study visits abroad. RDC North expressed interest to visit RDC South for exchange of experience in WSS sector development. A study tour to

⁷ <http://serviciilocale.md/libview.php?l=ro&idc=52&id=1553&t=/Stiri-Galerii-foto/Stirile-proiectului/Comunicatorii-MADRM-i-ADR-uri-au-invatat-noi-tehnici-de-intervievare-i-scriere-a-istoriilor-de-succes>

⁸ <https://bit.ly/2tO97c0>

⁹ Centre - <https://bit.ly/2N1PuVI>, <https://bit.ly/2N1PuVI>, North - <https://bit.ly/2ufaPDF>, <https://bit.ly/2J6LgtH>, South - <https://bit.ly/2zxIhML>, <https://bit.ly/2KJbPel>

¹⁰ <https://bit.ly/2zd6dmY>, <https://bit.ly/2u4QGjs>, <https://bit.ly/2J0cUIG>

Romania on planning, fundraising for IMC, and regionalization of WSS and SWM services for regional sector commissions from the Centre development region is planned for 16-20 July. Similar study tours will be organized for the representatives of South and North development regions.

4.3 Intervention area 3 specific objective

Project's specific objective 3 is to ensure improved RDAs capacities to implement Regional Development Strategies. In this respect, MLPS continued providing capacity development for RDAs and target local public authorities, especially for implementation of the investment measures in public services project

Capacity development for RDAs

During the reporting period, the role of the Regional Development Agencies (RDA) as contracting authorities was strengthened. The RDAs continue to apply European procurement law to projects financed by international donors, based on an operation manual developed with support of the project.

Seven accounting specialists (all women) from 4 RDAs (North, Centre, South and ATU Gagauzia) participated in the training course on national accounting standards in the context of the new legal framework, organised on 20-21 March 2018.¹¹ Participants focused on improving the knowledge in the field of accounting operations, latest changes in labour and social insurance legislation, calculation and declaration of income tax, changes in the calculation of the local taxes and fees. The correct application of accounting procedures and efficient financial management contributes to timely investment measures implementation as result attaining the objectives set in the regional development strategies. The course was organized in cooperation with the Association of Professional Accountants and Auditors of the Republic of Moldova (ACAP), Tax Inspectorate, the Ministry of Finance and the Labour Inspection.

Representatives of three RDAs, target LPAs, civil society organizations (CSO), and members of the evaluation committees (in total 93 participants, including 26 women), created for the procurement processes initiated for implementation of the investment measures, improved knowledge in public procurement and contract management during three training sessions organized during 31 January and 2 February 2018.¹²

The LPAs representatives in the RDAs public procurement working groups were also successfully trained in the application of new EU procurement procedures for the procurement of design services for 10 WSS and 8 EE projects. Additionally, the 13 members of CSO (including 4 women) with a status of observer in the public procurement working group at RDA, were trained on main steps and procedures according to the new procurement standards. Also, the training was provided for members of evaluation committees initiated how to apply the Evaluation Guide and preparation of evaluation reports according to new requirements stipulated in the EU Regulation.

¹¹ <https://bit.ly/2IE9P5W>

¹² <http://www.serviciilocale.md/libview.php?l=ro&idc=52&id=1496&t=/Stiri-Galerii-foto/Stirile-proiectului/Procedurile-de-achizitii-publice-este-tematica-unui-seminar-de-instruire-organizat-in-cadrul-proiectului-MSPL-pentru-reprezentantii-Autoritatilor-Publice-Locale>
<http://serviciilocale.md/libview.php?l=ro&idc=52&id=1499&t=/Stiri-Galerii-foto/Stirile-proiectului/Peste-30-de-reprezentanti-ai-sectorului-asociativ-au-participat-la-un-seminar-de-instruire-privind-achizitiile-publice>

The new knowledge was applied by the participants during the procurement processes initiated by the three RDAs – procurement working groups and evaluation committees created, with meetings carried out and first evaluations made by the evaluation committees as result of the tenders advertised for procurement of design services. Since many tender procedures were repeated due to limited or no qualifying bids, participants requested to repeat the workshop to discuss the main challenges and recommendation for improvement of the public procurement procedures and evaluation of offers.

Implementation of 18 infrastructure projects with funding from EU

In line with the public procurement manual agreed with the partners, starting December 2017 the RDAs organized tenders for procurement of design services and created procurement working groups and evaluation committees.

Tender documents were advertised on RDAs webpages, Chamber of Commerce and Industry and further distributed by CCI to international business promotion institutions as European Business Association Chisinau (EBA), Chamber of Commerce and Industry CCI Romania and their branch offices, Technopolis Romania (Member of European Enterprise Network), selected Embassies in Moldova.

Out of 18 planned projects eight in WSS and only one in EE projects had the design companies selected.

After completion of the evaluations and presentation of the public procurement results, several working meetings were organized to discuss the outcomes with Chamber of Commerce and Industry, design and construction companies, MARDE, Energy Efficiency Agency (EEA), Energy Efficiency Fund (EEF), GIZ Construction Department and EU Delegation in Moldova. As result, requirements in the tender documents were adjusted and applied in the following rounds of public procurement procedures.

The current situation with contracting of design companies implies delay in projects' implementation with about 6 months.

Details on the procurement procedures for each of the projects, rounds of tenders, offers submitted and contracts awarded can be analysed in annex 1.

Complementary support to infrastructure projects

For efficient implementation and monitoring of the 18 infrastructure projects, all stakeholders (MARDE, ARDs, LPAs and GIZ) signed memoranda of understanding (MoU) during an official event on 15 February 2018 and created local steering committees (LSC). During April and May, the first LSC meetings for all projects were organized and the first progress and challenges in the implementation process were discussed.

Besides that, in all target localities local citizens committees (LCC) were created (in total 27), representing different social groups, which initiated their participation in the processes of local planning, procurements' monitoring, and awareness raising activities. During first workshops provided by MLPS, LCC representatives learned how to monitor public services projects, with particular focus on currently undergoing process of design services procurement and local planning and programming.

RDA specialists, MARDE representatives and local managers (28 participants, including 8 women) responsible for implementation of the projects increased their knowledge and skills on modalities for implementation of public services projects, engagement of civil society in local planning and

decision-making, monitoring of public procurement, considering equitable representation of gender and social groups, during a two-day workshop organized by MLPS on 1-2 March 2018.¹³

In support to *(i) local planning and programming*, working groups for updating WSS chapters from local development plans and rayon Social-Economic Development Strategies were created and experts were contracted. Currently in most LPAs a process of data collection and analysis is undergoing which will provide information to adequately update the local strategic documents. In Cahul, on 20 June, the Action Plan of the WSS Chapter, Cahul rayon Socio-Economic Development Strategy (SEDS) was endorsed by the working group and proposed for public consultations.¹⁴

Work towards *(ii) inter-community cooperation (IMC)* was continued during first half of 2018. For implementation of IMC in delivery of water and sanitation services in Cahul rayon a Coordination Committee with representation of five LPAs was created. On 14 March one inter-municipal cooperation agreement between LPAs of Leova, Iargara, Sarata Noua, Filipeni, Romanovca, Hanasenii Noi, Cupcui was signed.

Support for *(iii) capacity development* for LPAs and service operators targeted by the project was continuously provided. Besides the trainings related to procurement and contract management processes mentioned above, other workshops and on-job trainings were organized. For details on types capacity development events and participants targeted, please refer to section 4.4.

In relation to the *(iv) awareness raising and mobilization* activities, for an evaluation of the current status on local services delivery, but also as input to local planning and programming in WSS and EE sectors, MLPS initiated a satisfaction survey to assess the level of people's satisfaction concerning service delivery, with focus on gender and vulnerable groups, in the localities benefitting from investment measures. The exercise will be finalized during the third quarter of 2018.

The overall progress in implementation of the public services projects is available in annex 2.

Seven pilot investment measures

The implementation of the pilot infrastructure measures with funds from the German Regional Development Fund (in the amount of EUR 7 mln) and funds from Switzerland and Romania is almost complete. Out of the four pilot projects remaining to be finalized, two were completed – SWM Floresti project and EE Orhei project.

With the *EE Calarasi* project finalized in 2017, on 1 March an official handover of the boiler plant of Calarasi Rayon Hospital took place. The remaining construction works has been completed in April and transfer of constructed object will be done in the third quarter of 2018.

Within the *EE Orhei* project, the construction works for thermal insulation of Orhei Hospital were partially completed due to lack of the construction company's financial capacity. As result the contract with the company was terminated and Orhei Hospital administration undertook the responsibility to finalize the remaining volume of work from their own sources. The remaining funds initially agreed to be used for the installation of a ventilation system in maternity block were redirected to the *WSS Leova-Iargara* investment measure from South development region as the tender process was not successful.

The construction works for individual connection to the sewerage in Rosu village, *WSS Cahul* project, financed from German Regional Development Fund and Romania sources, were slightly delayed

¹³ <https://bit.ly/2mn1i9K>

¹⁴ <http://cahul.md/anunturi-privind-organizarea-consultarii-publice/>

but 90% completed. Additional 10% of the works needs to be covered by local contribution. The needed amount of 750.000 MDL exceeds the agreed contribution (of 500.000 MDL), which implies additional fundraising efforts from LPA. The transfer of works will probably take place in September 2018.

On the other hand, the Cahul-Lebedenco investments for main pipeline and Lebedenco internal water system faced several challenges. One, the estimated costs of construction works exceed the available budget. Additionally, in line with the new regulations on water supply in small settlements, the design documentation and bill of quantities needed to be revised accordingly. Consequently, the investment measure was divided in two tenders (one for main pipeline and second for Lebedenco internal water system).

On 21 March GIZ Construction Department approved the technical design documentation for Cahul-Lebedenco main pipeline, which was transferred to LPA on 6 April 2018. Tender for construction works was launched on 29 June with all works planned to be finalized by the end of 2019. For the second tender, a design company was contracted to revise the documentation accordingly until end of July. The second tender for construction works is to be launched by end August. SDC agreed to extend the budget by EUR 0.6 mln and the expiry date of the agreement until December 2019. Still an amount of approx. EUR 0.1 mln is missing to finalize the project. Cahul rayon authorities and MARDE were asked to identify alternative sources for financing.

4.4 Intervention area 4 specific objective

Institutionalization of trainings

As of today, five out of nine courses developed in cooperation with the Academy of Public Administration (APA), have been institutionalized and approved by the APA Senate to be included in the 2018 curriculum of professional development courses – Leadership development in public administration, Management of public property, Regional development, Public procurement and conflict of interest, Integrated strategic planning. The training course “Management of public property” is also under APA’s consideration to be digitised and made available as an e-training.¹⁵

During the first half of 2018, in cooperation with AMAC and *Technical University of Moldova* (TUM) new training “Public Procurement of Goods and Works for the Licensed WSS Operators” was piloted on 16-18 January 2018 with 21 participants, including 6 women.

In cooperation with TUM’s *Centre for Continuous Education in Energy Efficiency in Public Buildings* (CCEEE PB):

- nine persons (including 7 women) were certified as trainers to further deliver the module “Efficient management of public buildings” during the training of trainers (ToT) organized on 28 March 2018. The course was piloted on 23 April 2018 and had 11 participants (including 4 women);
- 11 persons (including 8 women) were certified as trainers for the module “Management of energy efficiency in public buildings projects” during the ToT organized on 03-04 April 2018.¹⁶

¹⁵ <http://aap.gov.md/ro/article/catalogul-cursurilor-0>

¹⁶ <http://serviciulocale.md/libview.php?l=ro&idc=52&id=1526&t=/Stiri-Galerii-foto/Stirile-proiectului/18-reprezentanti-ai-institutiilor-oficiale-au-invatat-noi-practici-despre-managementul-proiectelor-de-eficienta-energetica-in-cladirile-publice>

On 14-17 May 2018 the module was piloted with participants 15 representatives of RDAs, LPAs level I and II and representatives of public institutions (including 4 women);¹⁷

- nine persons (including 8 women) were certified as trainers for the module “New solutions and technologies in EE of public buildings projects” during the ToT organized on 24-25 April 2018.¹⁸ On 23-25 May the module was piloted with 8 participants (including 1 woman).

One more module planned to be piloted by ICC and AMAC on WSS developed earlier in 2017 was postponed for implementation in the second semester of 2018.

Consequently, eight previously developed modules were reimplemented by the national training institutions, particularly:

- *AMAC-TUM*:
 - o Module “Public Procurement of Goods and Works for the Licensed WSS Operators” was delivered by twice – on 23-25 January (19 participants, including 9 women) and on 29-31 January (21 participants, including 10 women).¹⁹
- *TUM-CCEEE PB*:
 - o Module “Efficient Management of Public Buildings in sector of EE” organized on 12 June 2018 (with 9 participants, including 3 women).
- *Chamber of Commerce and Industry*:
 - o The EUREM-European Energy Managers course for the rayon energy managers, attended by 15 delegated energy managers (including 1 woman).
- *Academy of Public Administration (APA)*:
 - o Training course “Local and regional Marketing for competitive regional development” for representatives of LPAs and RDAs organized twice on 28-30 May and 5-7 June 2018 (with 41 participants in total, including 29 women).
 - o Training course “Public procurement and conflicts of interest in the procurement process” for LPAs, organized twice on 23-27 April and 14-18 May 2018 (with 42 participants in total, including 31 women).
 - o Training course “Management and Project Development” organized twice – on 18-19 April 2018 for 23 LPAs accountants (all women) and on 19-20 April 2018 for 21 LPAs cadastral engineers (including 10 women).
 - o Training course “Regional development” organized on 21-25 May 2018 with participation of 20 LPAs representatives (including 16 women).
 - o Training course “Public Property Management” organized on 18-20 April 2018 for accountants and cadastre engineers of LPAs level I and II (in total 23 accountants and 21 cadastre engineers, including 10 women).

¹⁷ <http://serviciilocale.md/libview.php?l=ro&idc=52&id=1542&t=/Stiri-Galerii-foto/Stirile-proiectului/15-specialiti-in-domeniul-EE-in-cladirile-publice-au-invatat-despre-managementul-proiectelor-in-cadrul-unui-curs-de-instruire/>

¹⁸ <http://serviciilocale.md/libview.php?l=ro&idc=52&id=1537&t=/Stiri-Galerii-foto/Stirile-proiectului/Pe-parcursul-a-doua-zile-specialitii-din-domeniul-eficientei-energetice-participa-la-cursul-de-formare-a-formatorilor-pentru-Modulul-II-al-cursului-Solutii-i-tehnologii-noi-in-proiectele-de-eficienta-energetica-a-cladirilor-publice>

¹⁹ <https://bit.ly/2ObjyZQ>

As follow-up to the “Public Property Management” course, APA trainers organised in Orhei, Cahul, Costesti/Riscani, Soldanesti, and Floresti on-job trainings for accountants and cadastre specialists on creation and maintenance of the accounting and public property registries. This exercise identified that in all localities verified accounting registries contain errors or misregistration and registry of public property is missing. The on-job trainings are currently considered by APA to be part of the institutionalized module.

Organizational development of training institutions

As result of the ISO 29990-Gap-Analysis completed in 2017 and the quality management system developed with MLPS support, on 20 February 2018 the Academy of Public Administration Senate approved the Quality Management System (QMS). In this context, an internal audit on QMS system within the Professional Development Department and other crosscutting departments was finalized in March 2018, and all documents necessary for implementation of ISO 29990 QMS Standards within the Department have been approved.²⁰

The following external Audit on QMS carried out by TÜV Thüringen audit company was successfully completed and on 23 June 2018 the certificate for Quality Management System according to ISO 29990:2010 for design, development and provision of learning and professional development services for the public service/ „Non-formal education and professional training services” was officially handed over to the Academy of Public Administration.²¹

MLPS continued to increase the capacities of APA trainers (11 women, 4 men) during the reported period and organized two training courses on conflict resolution, on 25-26 April, and on public speaking, 2-4 May.²²

To improve the technical pre-conditions for implementation of trainings at TUM's *Institute of Continuous Education in the WSS sector* banners and pin boards were procured, which will be handed over during the next months.

In coordination with MARDE, MLPS initiated a needs assessment for capacity development support to LPAs. The final results are expected to be available during the second half of 2018.

Similar to support provided to APA, MLPS proposed to TUM's Institute of Continuous Education in the WSS Sector and the Institute on Continuous Education in the EE Sector to undergo a quality management gap analysis. For this, first meetings with TUM were initiated.

Exchange of good practices & experiences

For continuous exchange of good practices and experiences, APA organized a new Open Forum on Local and Regional Development focused on “Public Administration Reform Strategy: between intentions and achievements” on 20 April 2018. 126 representatives of local and central public administration, RDAs, NGOs, members of Parliament, lecturers and students discussed the developments in sectors of local and regional development and good governance.²³

²⁰ <http://aap.gov.md/ro/article/acte-aprobate-de-c%C4%83tre-senatul-academiei#overlay-context=ro/article/acte-aprobate-de-c%25C4%2583tre-senatul-academiei>

²¹ <http://aap.gov.md/ro/article/certificarea-calitatii>

²² <http://management.md/dezvoltarea-capacitatilor-de-comunicare-si-a-managementului-conflictelor-au-fost-tematicile-unor-sesiuni-de-instruire-pentru-angajatii-aap/>

²³ <http://www.aap.gov.md/ro/node/1966>

On 12 April 2018, Energy Efficiency Agency, in cooperation with MLPS, organized an international workshop on international experiences in energy efficiency planning. The workshop was attended by 40 participants (including 8 women) representatives of LPAs level I and II, energy efficiency specialists, RDA planning specialists and international experts from Latvia, Germany, Croatia and FYR of Macedonia.²⁴

Via the GIZ regional office in Dusseldorf three experts from Romania and Latvia provided peer-to-peer advisory services to RDAs on how to make public procurements more successful, especially with regards to selection criteria in the context of a very small market and very low number of competitors. As result, recommendations were included in the tender documents.

For experience sharing on energy efficiency in public hospitals, in cooperation with Orhei Rayon authorities, MLPS facilitated the organization of a study visit to Orhei Rayon Hospital for 11 participants from four LPAs.²⁵

4.5 Cross-cutting issues

To ensure equal benefits from project's interventions for both men and women, MLPS continued to support our partners to ensure equitable participation of women and men in decision-making and investment projects. MLPS guides the national partners to *mainstream gender* in their processes and developed documents. In this context recommendations for gender equality were provided for creation of working groups for local planning and procurement of design services. In regulations for creation and functioning of local steering committees and local citizens committees, provisions to ensure participation of at least 40% of each sex were included. The satisfaction survey on WSS and EE service delivery in target LPAs will assess the needs and satisfaction of both men and women and the results should identify the current existing gaps and guide further MLPS interventions.

MLPS is mainstreaming gender and social aspects in the advertised ToRs for selection of consultants and consulting companies, to further promote the principles of gender equality and participation of different social groups in local and regional development. Women and men are equally encouraged and supported to benefit from capacity development activities, and national training institutions are guided to consider gender and social aspects within the trainings delivered.

MLPS also is considering the *conflict sensitive approach* by monitoring of the possible positive or negative impacts of its interventions. For this, continuous and transparent communication with all stakeholders involved is ensured. Awareness raising and mobilization of final beneficiaries of the investment measures – men and women from the target localities – are organised and LPAs are guided to involve inhabitants in monitoring processes and communicate any changes or delays in due time.

5. Communication and visibility

During this period, together with its partners MLPS organised several big events to promote the progress and showcase the results achieved to date.

²⁴ <http://serviciilocale.md/libview.php?l=en&idc=52&id=1531&t=/News-Photos/Projects-News/50-national-and-international-specialists-in-energy-efficiency-exchanged-experience-and-practices-in-the-given-field>

²⁵ <http://or.md/index.php/2018/06/15/eficienta-energetica-realizari-si-perspective/>

On 15 February 2018, in cooperation with the Government of Moldova, an official event for signing of memoranda of understanding for implementation of 18 investment measures was organized. The event was attended by over 100 participants – representatives of MARDE and Regional Development Agencies, LPAs of level I and II, Embassies of Germany, Sweden, and Romania, SDC, and EU Delegation in Moldova. 15 representatives of national mass media were present and largely reflected the event.²⁶

On 1 March in Calarasi, the local administration organized the official inauguration of the boiler plant and solar panel system for preparation of hot water at Calarasi Rayon Hospital, with MLPS support. The inauguration was attended by the representatives of the Government of the Republic of Moldova, diplomatic missions, local public administration, employees of Calarasi Rayon Hospital, journalists and inhabitants of the town.²⁷

To raise awareness about the existing projects, MLPS participated in the Europe Day festivities organized in Chisinau on 12 May and Ungheni on 19 May.²⁸ Eco bags, leaflets and brochures on public services projects implemented, and other materials were distributed to participants, and a painting contest for children on water, sanitation and energy was organized. People who visited the German stand were informed of MLPS interventions and 30 children who participated in the contest received prizes for the best drawings.

6. Ensuring the sustainability of measures/interventions

To ensure the sustainability of its measures, MLPS continues to apply the multi-level / partner system approach of feeding the learning experiences at local and regional level into the policy dialogue at national level, as well as using partner systems to avoid the creation of parallel implementation structures.

The necessary competencies of RDAs and LPAs are continued to be developed through training, seminars and workshops. The experiences of repeatedly organizing procurement processes by RDAs prove the use of knowledge received with support of MLPS. RDCs' organizational capacities for coordination of regional development policies have been strengthened by developing regional development sector programs and approving works plans.

LPAs institutional frameworks are optimized to achieve a long-term improvement in service delivery. These include creation of coordination committee for IMC in Cahul rayon or signing of an inter-municipal cooperation agreement for WSS service delivery between communities in Leova rayon.

APAs certification of the quality management system based on the ISO 29990:2010 standards for design, development and provision of learning and professional development services for the public service, will further ensure sustainability and high quality of delivered trainings developed with MLPS support.

²⁶ <http://www.serviciilocale.md/libview.php?l=ro&idc=52&id=1503&t=/Stiri-Galerii-foto/Stirile-proiectului/Cu-sprijinul-UE-pina-la-200000-de-cetateni-vor-beneficia-de-o-infrastructura-imbunatatita-in-domeniul-aprovizionarii-cu-apa-i-a-energiei>

²⁷ <https://bit.ly/2zxcrhK>

²⁸ <https://www.facebook.com/serviciilocale/photos/pcb.1791663340893335/1791661334226869/?type=3>

7. Overview of key activities/milestones for the next reporting period

In line with the MLSP project operational plan, for the second half of 2018, the following key milestones are envisaged:

- Concept/white paper regarding the regional development paradigm in regional development is developed and endorsed by MARDE;
- Draft Public Policy on Urban Development in the Republic of Moldova is developed and approved by MARDE;
- Mid-term assessment of the NSRD 2016-2020 is carried out;
- Brand book with visual identities for MARDE and RDAs is developed;
- Experience exchange for and between RDCs through in-country and abroad study visits;
- Technical design documentation available for 9 of 18 infrastructure projects;
- Closing of all pilot infrastructure projects and completion of public property registration, except of SDC financed project in Lebedenco;
- 23 local plans and strategies on WSS and EE sectors are developed/updated in a participatory and gender sensitive manner;
- Options for IMC in WSS sector for target LPAs are identified;
- Capacities of five service operators are assessed and two capacity development plans are developed;
- Satisfaction surveys on WSS and EE services in target localities carried out and used for local strategic planning;
- Open forum on regional development and national conference on WSS sector organized.

Several activities, like study visit on spatial planning and landscape planning, a joint workshop on revised RBM system for NSRD and RDS, planned for the first half of 2018, finalization of tender processes for procurement of design services will be ensured in the next semester.

8. Opportunities and challenges/risks

During first semester of 2018 the MLPS project faced several challenges but also encountered opportunities for successful achievement of its results.

Unclearities on territorial administrative reform still create delays in the development of the legal and normative framework related to regional development. The analysis of the normative and legislative basis in spatial planning and landscape planning was postponed due to the pending approval of the Code on Urbanism and Constructions by the Parliament, as well as unclarity with the reform of the Department for Spatial Planning currently under MARDE.

Adjustment of the MARDE's Communication Strategy Action Plan to new mandate was not done due to the fact that former Ministries of Agriculture and Environment did not have any strategic documents on communication in order to be combined and adjusted.

In the context of the central administration reform and creation of the new agency to manage the National Ecologic Fund and National Regional Development Fund, the role of the RDCs would need to be further clarified.

In relation to SWM sector, despite the support provided by the project to the national Working Group and the additional meeting with MARDE in May, the government still has no clear vision and

perspectives for development of the SWM sector. Complementary financing of *Leova-largara* WSS project still needs to be secured in a timely manner to avoid reputational risks for the financing parties due to unpaid works.

As to the poorly developed local capacities for delivering technical design services, especially for EE projects, the qualification criteria had to be lowered considerably in agreement with the stakeholders. By this, the project and its partners risk contracting companies with limited capacity and experience to implement the large contracts. To mitigate the risk, MLPS will strengthen the role of GIZ Construction Department in providing support and monitoring of selected companies during the development of technical documentation. Additionally, complementary support to the private sector, close technical support via the project, regular audits by the RDAs and integration of the project into the RDAs procurement processes reduce this risk.

The new Regulation on WSS standards for small settlements (below 3000 inhabitants) approved in April 2018 envisaged additional effort and time for revision of some of the tender documents. On the other hand, the new regulation provides for the opportunity to reduce construction work costs as result of reduced technical solutions for the investment measures.

Project's support to TUM's Institute of Continuous Education in the WSS Sector and the Institute on Continuous Education in the EE Sector to undergo a quality management gap analysis could be delayed due to institutions' limited number of staff, consequently slow communication.

9. Lessons learnt and recommendations

The ownership of the beneficiary communities is ensured by including them in rayon and regional planning process of the infrastructure measures. Involvement in the implementation of the local public services project of a local project manager delegated by the beneficiary in the implementation through a local project manager contributes to higher accountability as well.

The poorly developed local market on design services, especially for EE projects lead to the risk of contracting companies with limited capacity and experience to implement the large contracts, therefore the recommendation to enhance companies' capacities by providing complementary technical support and monitoring of the development of technical documentation.

For the remaining *Leova-largara* WSS investment measures, the national stakeholders to mobilize and agree on a timeline for implementation of the commitments regarding the *Leova-largara* inter-municipal pipeline project.

Considering that the current Action Plan is for 2017-2018, MLPS proposes to adjust the overall Communication Strategy of MARDE and develop a new Action Plan for 2019-2020 accordingly.

Annex 1. Status of procurement procedures for infrastructure projects

Status of procurement procedures for infrastructure projects, design services

Progress as of Jun-18

Investment project	First round of procurement					Second round of procurement				
	<i>Procurement announced</i>	<i>Offers opening date</i>	<i>Offers received</i>	<i>Offers accepted</i>	Company contracted	<i>Procurement announced</i>	<i>Offers opening date</i>	<i>Offers received</i>	<i>Offers accepted</i>	Company contracted
RDA North										
WSS Riscani	17.04.18	15.05.18	3	3	Yes	-	-	-	-	-
WSS Drochia	12.01.18	05.03.18	2	2	Yes	-	-	-	-	-
WSS Edinet	12.01.18	05.03.18	1	1	No	17.04.18	15.05.18	2	2	No
WSS Falesti	12.01.18	05.03.18	1	1	No	17.04.18	15.05.18	3	3	No
EE Balti	12.01.18	05.03.18	0	-	No	17.04.18	15.05.18	0	-	No
EE Flaminzeni/Singerei	12.01.18	05.03.18	0	-	No	17.04.18	15.05.18	0	-	No
RDA Centre										
WSS Calarasi	02.01.18	26.02.18	2	2	No	28.04.18	28.05.18	4	3	Yes
WSS Ungheni	02.01.18	26.02.18	2	2	No	28.04.18	28.05.18	2	2	Yes
WSS Ustia/Criuleni	02.01.18	26.02.18	2	2	Yes	-	-	-	-	-
EE Soldanesti	02.01.18	26.02.18	1	1	No	10.04.18	10.05.18	1	1	No
EE Holercani/Dubasari	02.01.18	26.02.18	1	1	No	10.04.18	10.05.18	1	1	No
EE Ungheni	02.01.18	26.02.18	3	3	No	10.04.18	10.05.18	3	3	No
EE Straseni	02.01.18	26.02.18	1	1	No	10.04.18	10.05.18	1	1	No
RDA South										
WSS Cahul	24.03.2017	25.04.17	3	2	Yes	-	-	-	-	-
WSS Leova	17.01.18	13.03.18	2	2	Yes	-	-	-	-	-
EE Basarabeasca	17.01.18	13.03.18	0	-	No	23.04.18	22.05.18	0	0	No
EE Leova	17.01.18	13.03.18	0	-	No	23.04.18	22.05.18	1	1	Yes

Annex 2. Status on public services projects implementation (by RDAs and pillars)

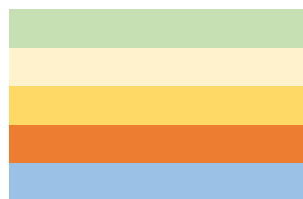
Overall progress on implementation of Public Service Projects, by pillars of intervention

Progress by: Jun-18

Public Service Project	Pillars of intervention/specific objectives				
	<i>Planning and programming</i>	<i>Inter-municipal cooperation</i>	<i>Investment measures</i>	<i>Capacity development</i>	<i>Awareness raising and community mobilization</i>
North D / European Union funds					
WSS Riscani	minor deviation	on track	minor deviation	on track	minor deviation
WSS Drochia	minor deviation	not initiated	on track	on track	on track
WSS Edinet	on track	not initiated	major deviation	on track	minor deviation
WSS Falesti	on track	not initiated	major deviation	on track	on track
EE Balti	on track	n/a	major deviation	on track	on track
EE Flaminzeni	on track	n/a	major deviation	on track	on track
Centre DR / European Union funds					
WSS Calarasi	minor deviation	not initiated	minor deviation	not initiated	minor deviation
WSS Ungheni	on track	not initiated	minor deviation	not initiated	minor deviation
EE Soldanesti	on track	n/a	major deviation	on track	minor deviation
EE Holercani	on track	n/a	major deviation	minor deviation	on track
EE Ungheni	minor deviation	n/a	major deviation	minor deviation	on track
EE Straseni	minor deviation	n/a	major deviation	minor deviation	on track
South DR / European Union funds					
WSS Cahul	minor deviation	minor deviation	on track	minor deviation	minor deviation
WSS Leova	major deviation	minor deviation	on track	major deviation	minor deviation
EE Basarabasca	minor deviation	n/a	major deviation	minor deviation	on track
EE Leova	on track	n/a	minor deviation	on track	on track

Public Service Project	Pillars of intervention/specific objectives				
	<i>Planning and programming</i>	<i>Inter-municipal cooperation</i>	<i>Investment measures</i>	<i>Capacity development</i>	<i>Awareness raising and community mobilization</i>
Pilot projects / German Regional Fund for Development, Romania, SDC					
WSS Cahul	minor deviation	minor deviation	minor deviation	on track	minor deviation
WSS Leova	completed	completed	minor deviation	completed	completed
WSS Riscani	completed	completed	completed	completed	completed
EE Orhei	completed	n/a	completed	completed	completed
EE Calarasi	completed	n/a	completed	completed	completed
SWM Floresti	completed	completed	completed	completed	completed
SWM Soldanesti	completed	completed	completed	completed	completed

On track
 Minor deviation
 Major deviation
 Off track
 Completed
 n/a



not applicable