



Progress Report No. 9
on the implementation of
'Modernisation of Local Public Services
in the Republic of Moldova' project

Reporting period

1 January – 31 December 2019

submitted by GIZ

January 2020

Chisinau, Republic of Moldova

MLPS project co-financed by:



In cooperation with

**Ministerul Agriculturii,
Dezvoltării Regionale
și Mediului**

Contents

| | |
|--|----|
| Acronyms and abbreviations..... | 2 |
| 1. Executive summary | 3 |
| 2. Project background..... | 5 |
| 3. Progress towards the project outcome..... | 7 |
| 4. Achievements of the project specific objectives | 8 |
| 4.1. <i>Specific objective A</i> | 8 |
| 4.2. <i>Specific objective B</i> | 9 |
| 4.3. <i>Specific objective C</i> | 10 |
| 4.4. <i>Specific objective D</i> | 14 |
| 4.5. <i>Specific objective E</i> | 18 |
| 4.6. <i>Cross-cutting issues</i> | 19 |
| 5. Communication and visibility..... | 20 |
| 6. Ensuring the sustainability of measures/interventions..... | 21 |
| 7. Overview of key activities/milestones for the next reporting period | 23 |
| 8. Opportunities and challenges/risks | 24 |
| 9. Lessons learnt and recommendations | 26 |
| Annexes | 29 |
| <i>Annex 1: Modernisation of Local Public Services updated log-frame (07 October 2019)</i> | 30 |
| <i>Annex 2: Status on public services projects implementation</i> | 38 |
| <i>Annex 3: Technical design contract values</i> | 40 |
| <i>Annex 4: Indicative total investment opportunities</i> | 43 |
| <i>Annex 5: Proposed priority list for construction</i> | 44 |
| <i>Annex 6: List of organized trainings during January-December 2019</i> | 47 |
| <i>Annex 7: Organisational Chart GIZ / Modernisation of Local Public Services</i> | 48 |

Acronyms and abbreviations

| | |
|--------------|--|
| AMAC | Moldovan Water Supply Association |
| APA | Academy of Public Administration |
| ATU Gagauzia | Autonomous Territorial Unit Gagauzia |
| BMZ | German Ministry of Economic Cooperation and Development |
| CCI | Chamber of Commerce and Industry |
| CSO | Civil Society Organisation |
| DR | Development Region |
| EE | Energy Efficiency |
| EEA | Energy Efficiency Agency |
| EIA | Environmental Impact Assessment |
| EU | European Union |
| FA | Finance Agreement |
| GIS | German Regional Development Fund |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| ICEWSS | Institute for Continuous Education in the Water Supply and Sanitation Sector |
| CCEEEPB | Centre for Continuous Education in the Energy Efficiency in Public Buildings |
| IMC | Inter-Municipal Cooperation |
| LCC | Local Citizens Committee |
| LGP | Local Grants Programme |
| 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 |
| MEUR | Million EURO |
| MLPS | Modernisation of Local Public Services in the Republic of Moldova |
| NCCRD | National Coordination Council for Regional Development |
| NEF | National Ecological Fund |
| NFRD | National Fund for Regional Development |
| NSRD | National Strategy for Regional Development |
| PSP | Public Service Project |
| 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 |
| RSP | Regional Sector Program |
| SDC | Swiss Agency for Development and Cooperation |
| SEDS | Socio-Economic Development Strategy |
| SWM | Solid Waste Management |
| ToR | Terms of Reference |
| ToT | Training of Trainers |
| TUM | Technical University of Moldova |
| WSS | Water Supply and Sanitation |

1. Executive summary

| | |
|--------------------------------------|---|
| Project title | Modernisation of Local Public Services in the Republic of Moldova |
| Project duration | March 2016 – December 2021 |
| Reported period | January – December 2019 |
| Project objective | The framework conditions for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision are improved |
| Outputs / specific objectives | <p>MARDE puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors;</p> <p>The capacities of RDCs and partner LPAs to plan, coordinate and implement are improved;</p> <p>RDA's are capacitated to implement the public service projects developed within the regional sector programs;</p> <p>Representatives of rayon's, municipalities and local service providers benefit from demand-oriented trainings for the modernisation of local public services in the priority sectors;</p> <p>Civil society participates in public projects.</p> |
| Project partners and target groups | <p>The target group of the development measure is the population in selected LPAs from the four DRs North, Centre, South and ATU Gagauzia.</p> <p>Key partners of the project: MARDE, RDCs, RDA's and LPAs from the aforementioned regions, CSOs, APA, TUM, AMAC, EEA and CCI</p> |
| Key achievements for reported period | <p>The concept for the new Regional Development (RD) paradigm based on economic growth was developed by MARDE.</p> <p>Revised result-based monitoring (RBM) for steering the NSRD and RDSs is applied by NCCRD and RDCs.</p> <p>Lessons learned based on RDCs/RSCs activities were compiled and recommendations for further strengthening capacities were agreed.</p> <p>Local Development Plans for 4 partner LPAs in WSS and EE sectors were developed in a participatory way and endorsed by the Local Councils.</p> <p>SDC financed WSS project in Cahul-Lebedenco was finalised.</p> <p>Technical documentation for 18 Public Service Projects (10 WSS and 8 EE school rehabilitation) was finalised and transferred to LPAs ownership.</p> <p>2 new training modules in WSS sector were developed and piloted.</p> <p>A national conference for WSS was organised and resulted in a Resolution with 17 priority measures to be undertaken by stakeholders.</p> <p>5 LPAs signed Delegation Agreements with WSS operators as base for IMC and regionalisation of services.</p> <p>4 regional CSOs and 1 national CSO on media and communication selected to empower citizens through a grant programme.</p> <p>25 LCCs were capacitated and actively involved in the processes of endorsing 18 PSPs technical designs.</p> |

| Key challenges/ risks for reported period | <p>Political uncertainties due to parliamentary and local elections and two changes of the Government hampered the continuity and dialogue with partners.</p> <p>Due to the Government transition, the approval of all policy related documents, draft laws and concepts prepared with GIZ support are on hold.</p> <p>Technical design processes for EU funded PSPs were delayed due to insufficient capacity of local design companies and delays in obtaining required permissions from decentralised services.</p> <p>The cost calculations for the construction of EU funded PSPs in WSS and EE exceed the initial estimates by approx. 30 MEUR.</p> <p>High staff turnover in WSS operators delays the implementation of capacity development measures.</p> <p>The institutionalisation, financing and sustainability of the training modules in all training institutions remain a challenge for the project as state organisations do not budget enough funds for staff development.</p> <p>Low motivation of citizens, particularly youth to participate in decision-making processes.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------------------------|------------------------|-------------------------------------|-----------------------|-----------|---------------------|----------------------|-----------|---------------------|---|-----------|---------------------|-----------------------|---------|---------------------|----------------|---------|---------------------|------------------------------|-----------|---------------------|---|--|--|--|------------|---------------------|-----------------------|-----------|---------------------|
| Project budget, including co- financing | <p>The project budget amounts to 17,8 million Euro plus 43,8 million Euro for EU single donor actions; in total 62,5 million Euro.</p> <table border="1" data-bbox="427 987 1401 1644"> <thead> <tr> <th data-bbox="435 987 890 1077">Donor</th> <th data-bbox="898 987 1082 1077">Amount, EUR</th> <th data-bbox="1090 987 1393 1077">Implementation timeframe</th> </tr> </thead> <tbody> <tr> <td data-bbox="435 1088 890 1133">Government of Germany</td> <td data-bbox="898 1088 1082 1133">6,351,890</td> <td data-bbox="1090 1088 1393 1133">Mar 2016 – Dec 2021</td> </tr> <tr> <td data-bbox="435 1144 890 1189">Government of Sweden</td> <td data-bbox="898 1144 1082 1189">3,700,000</td> <td data-bbox="1090 1144 1393 1189">Nov 2016 – Dec 2018</td> </tr> <tr> <td data-bbox="435 1200 890 1279">Swiss Agency for Development and Cooperation</td> <td data-bbox="898 1200 1082 1279">3,899,050</td> <td data-bbox="1090 1200 1393 1279">Mar 2016 – Dec 2019</td> </tr> <tr> <td data-bbox="435 1290 890 1335">Government of Romania</td> <td data-bbox="898 1290 1082 1335">179,637</td> <td data-bbox="1090 1290 1393 1335">Mar 2016 – Jun 2018</td> </tr> <tr> <td data-bbox="435 1346 890 1391">European Union</td> <td data-bbox="898 1346 1082 1391">171,199</td> <td data-bbox="1090 1346 1393 1391">Mar 2016 – Sep 2017</td> </tr> <tr> <td data-bbox="435 1402 890 1447">European Union, design stage</td> <td data-bbox="898 1402 1082 1447">3,500,000</td> <td data-bbox="1090 1402 1393 1447">Sep 2017 – Dec 2019</td> </tr> <tr> <td colspan="3" data-bbox="435 1458 1393 1503">EU-funded Actions, implemented in synergy with MLPS:</td> </tr> <tr> <td data-bbox="435 1514 890 1592">Construction of WSS and EE infrastructure</td> <td data-bbox="898 1514 1082 1592">39,800,000</td> <td data-bbox="1090 1514 1393 1592">Dec 2017 – Mar 2021</td> </tr> <tr> <td data-bbox="435 1603 890 1648">Citizens' Empowerment</td> <td data-bbox="898 1603 1082 1648">4,900,000</td> <td data-bbox="1090 1603 1393 1648">Jan 2019 – Dec 2021</td> </tr> </tbody> </table> | Donor | Amount, EUR | Implementation timeframe | Government of Germany | 6,351,890 | Mar 2016 – Dec 2021 | Government of Sweden | 3,700,000 | Nov 2016 – Dec 2018 | Swiss Agency for Development and Cooperation | 3,899,050 | Mar 2016 – Dec 2019 | Government of Romania | 179,637 | Mar 2016 – Jun 2018 | European Union | 171,199 | Mar 2016 – Sep 2017 | European Union, design stage | 3,500,000 | Sep 2017 – Dec 2019 | EU-funded Actions, implemented in synergy with MLPS: | | | Construction of WSS and EE infrastructure | 39,800,000 | Dec 2017 – Mar 2021 | Citizens' Empowerment | 4,900,000 | Jan 2019 – Dec 2021 |
| Donor | Amount, EUR | Implementation timeframe | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Government of Germany | 6,351,890 | Mar 2016 – Dec 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Government of Sweden | 3,700,000 | Nov 2016 – Dec 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Swiss Agency for Development and Cooperation | 3,899,050 | Mar 2016 – Dec 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Government of Romania | 179,637 | Mar 2016 – Jun 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| European Union | 171,199 | Mar 2016 – Sep 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| European Union, design stage | 3,500,000 | Sep 2017 – Dec 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EU-funded Actions, implemented in synergy with MLPS: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction of WSS and EE infrastructure | 39,800,000 | Dec 2017 – Mar 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Citizens' Empowerment | 4,900,000 | Jan 2019 – Dec 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

2. Project background

2.1 Project background

Since 2010, GIZ is implementing the project 'Modernisation 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 had as deadline for project implementation 12/2020. During 2019 the implementation period was extended to 12/2021 as result of the commissioning received for the implementation of the EU actions 'Construction of Water Supply and Sanitation infrastructure and Energy Efficiency in Public buildings' and 'Citizens' Empowerment in the Republic of Moldova'. Against this background, the project log-frame, particularly the outputs and targets for specific indicators were adjusted (see annex 1). Also, the GIZ implementation structure for the project was changed to better meet the future requirements (s. organisational chart, annex 7).

The Project works in three priority sectors: water supply and sanitation (WSS), energy efficiency in public buildings (EE) and solid waste management (SWM). The support to regional and local roads ended in 2018.

In addition, the project contributes to the achievement of the sustainable development goals (SDGs) 6 (Clean Water and Sanitation), 7 (Affordable and clean energy) and 16 (Peace, Justice and Strong Institutions).

During the reporting period joint efforts were made together with MLPS partners and beneficiaries to implement the priority measures according to the project operational plan¹ approved at the Monitoring Committee in January 2019. Due to the unstable political situation no Monitoring Committee was organised in summer 2019.

The project's interventions were hampered due to political uncertainties related to parliamentary elections in spring and local elections in autumn, as well as two changes of the Government. Structural and staffing changes occurred within the ministries and elected local councils and mayors. This resulted in reduced accessibility and limited responsiveness of decision-makers on local and national level.

As consequence, although progress has been made, the process of approval of Regional Development (RD) policy documents (such as new RD paradigm; urban development concept, establishment of the new agency for administration of NFRD and NEF) prepared with GIZ support at MARDE's request is pending. Similarly, several public activities with requirement of involvement of central and LPAs were postponed.

At the level of project implementation, the political situation had less impact. During the reporting period, the basic emphasis was placed on further capacity development of all relevant stakeholders, implementation of PSPs and engagement of citizens in oversight activities. Technical documentation for 18 EU funded Public Service Projects (10 WSS and 8 EE school rehabilitation) was finalised and successfully transferred to LPAs ownership.

2.2 Methodological approach

The project consistently applies a multi-level and multi-stakeholder approach to improve the framework conditions for the modernisation of local public services in the priority sectors. Measures to improve local service delivery are part of a comprehensive 5-pillar approach for

¹ http://www.serviciilocale.md/public/files/plan_operational/2019_01_15_MLPS_POP_2019_VB_EN.pdf.

capacity development in (i) establishing integrated local planning procedures, (ii) establishing inter-municipal cooperation structures, (iii) assisting in the institutionalisation of adapted trainings and education for service operators and local authorities, and (iv) implementation of awareness raising and mobilisation policies for citizens. The complementary funding of infrastructure projects via funds from the EU, Switzerland, Romania and the German Regional Development Fund represent the fifth element (v) of the approach. To implement the investment measures, partner systems are used as far as possible, thus avoiding the creation of parallel implementation structures.

The MLPS project was structured around five specific objectives:

- A. MARDE puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors;
- B. The capacities of RDCs and partners LPA to plan, coordinate and implement are improved;
- C. RDAs are capacitated to implement the public service projects developed within the regional sector programs;
- D. Representatives of rayons, municipalities and local service providers benefit from demand-oriented trainings for the modernisation of local public services in the priority sectors;
- E. Civil society participates in public projects.

Output E was newly introduced in 2019 to reflect the EU-funded Action on Citizens' Empowerment in the project's results matrix. The new EU-funded interventions will further contribute to the improvement of existing citizens' involvement in decision-making tools, including strengthening of platforms for engagement in local and regional development.

2.3 Synergies with other projects and donors

The Modernisation of Local Public Services in the Republic of Moldova is among the leading projects in the area of Regional Development in the country and is collaborating with other projects and donors in the area to lever the results.

Synergies are created with two EU-funded single donor actions for 'Construction of Water Supply and Sanitation infrastructure and Energy Efficiency in Public buildings' and for 'Citizens' Empowerment', which contribute directly to the MLPS specific objectives C and E.

On the level of regional development framework, GIZ sought synergies with the Polish Aid project 'Support to the Government of Moldova in the implementation of the NSRD 2016-2020 through integrated and sustainable urban development'. This included a joint promotion of urban development policy and urban revitalisation among the decision-makers from the Government, as well as development partners.

In the regional planning and programming area, close coordination of all activities was ensured with the EU funded project 'Technical assistance for the Integration of ATU Gagauzia in the national framework for regional development' in capacitating RDA to manage regional development processes within the national regional development framework.

In energy efficiency (EE) planning, a series of thematic regional workshops were organised in February 2019² and June 2019³ in close cooperation with the Energy Efficiency Agency (EEA) and the EU funded project 'Support to the Modernisation of the Energy Sector in the Republic of Moldova' (STARS) for LPA representatives with focus to the local EE managers. At the

² <https://bit.ly/2Rtl83M>

³ <https://bit.ly/2vINPa4>

workshops, national and German experts shared their experiences in developing EE Plans as an effective tool for planning and attracting financing for the implementation of energy efficiency projects in municipalities. Furthermore, the presentations also included practical experiences from implementing the EE plans.

The MLPS project closely cooperated with two regional GIZ projects financed under the Eastern Partnership Regional Fund for Public Administration Reform. The regional project 'Strengthening networks of civil service training institutions' aims at supporting the civil service in Georgia, Moldova, and Ukraine by means of regular exchange of expertise and targeted capacity development in the elaboration of modern training approaches. The project intends to strengthen the orientation towards practical requirements of initial- and in-service training and to create innovative solutions for more effective training institutions. In the frame of the project, support was provided to APA and the State Chancellery. In May 2019, APA trainers attended a Roundtable and ToT in Tiflis, Georgia which focused on ethics and integrity. Based on the experience made and lessons learned from the roundtable and ToT, APA updated their training module on 'Ethics and Integrity' and piloted it in May and June 2019 with participants of the central public administration, holding executive and management functions. The piloting of the training module was covered from the state budget. In July 2019, a representative from the State Chancellery and APA attended a Roundtable and ToT in Ukraine which focused on management and leadership. In October 2019, APA hosted a Roundtable on quality management in training. During all events, participants exchanged on approaches and standards, discussed challenges and solutions and reflected on targeted training measures.

Also, the regional project 'Exchange Platform for the Chapters on Regional Development within the Association Agreements of Georgia, Moldova and Ukraine', provided support to MARDE in enhancing the cooperation on RD matters with the DG Regio, DG NEAR as well as similar Ministries of Georgia and the Ukraine during the participation at the European Week of Regions and Cities which took place during 7-10 October in Brussels. In addition, local subsidy was granted to the Regional Economic Development Institute (REDI) to raise awareness on Chapter 20 'Regional Development, Cross-border and Regional Level Cooperation' of the EU-Moldova Association Agreement and its Action Plan.

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 are on track and has been already partially achieved during the reporting period: the technical design documentation for 18 infrastructure projects (10 in water supply, sanitation and 8 in energy efficiency in public buildings) was finalised and successfully transferred to LPAs ownership. The prepared technical design documentation for 18 infrastructure measures, prepared in a participatory manner and gender sensitive way, are in line with the regional sector programmes and their further implementation will directly contribute to the implementation of regional development strategies 2016-2020.

During the reporting period 3 RDAs increased their capacities and thus achieved a significant progress in finalisation of technical designs based on community needs. In addition, 3 RDAs gained new skills in preparation of tender documentation for the construction phase according to the GIZ Regulation adapted to EU PRAG Rules including the requirements how to select the projects. The implementation of the infrastructure measures will begin in first quarter of 2020 starting with tender procedures for construction.

As for indicator 3, the NCCRD approved the budget for 2019 in the amount of 201 million MDL for implementation of RD projects⁴. The spent amount is not yet available. Until the end of 2018 57.3 MEUR were mobilised to finance investment measures, including 19.3 MEUR granted by national funds, and 38 MEUR by international donors. As a result, the current values represent a 202% increase over the baseline.

Regarding indicator 1 of the project, the beneficiaries (partner local public authorities, represented by the local councils) and involved stakeholders (members of the RDCs and RDAs) satisfaction with the planning processes and implementation of the infrastructure investment measures will be confirmed in the last year of implementation, therefore the indicator can't be currently assessed.

4. Achievements of the project specific objectives

During 2019, GIZ together with its partners achieved the following results and progress towards its five specific objectives.

4.1. Specific objective A:

Specific objective A envisages for 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 reporting period, GIZ faced the challenge of reinforcing the dialogue and awareness at the political level with representatives of three governments on issues related to the regional development (RD) framework in general, and MLPS activities in particular. This included new RD paradigm, new concept proposal on urban development centres and other related areas. Although representatives of MARDE, Ministry of Finance and MEI expressed overall agreement with the new RD paradigm and urban development concept during the meetings, this, however, did not result in the final approval of these strategic documents due to the change of Governments. For the same reasons, consensus and commitment was not reached on: 1) the approval and establishment of a new Agency for administration of NEF and NFRD, 2) on adjustment of the new Law on RD, 3) amendments of selected legislative acts to the current SWM law, and 4) updating of the Action Plan of the National Strategy on SWM.

On the other hand, MARDE, with GIZ support, initiated in November the revision of the Regulation for selection of representatives of CSOs and business sector in RDCs. The revised document simplifies the application process as well as the selection criteria, which is expected to increase the number of prospective candidates, and as result open the opportunities for representatives of different business and social groups to participate in decision making. The Regulation's provisions were also gender mainstreamed as to ensure better equal opportunities for women's participation in regional decision-making.

Result-based monitoring and evaluation system

The revised RBM for NSRD and RDS is currently applied/piloted by both MARDE and RDAs. Reports on the implementation of the NSRD and RDS continued to be further developed in

⁴ <http://mei.gov.md/ro/content/consiliul-national-de-coordonare-dezvoltarii-regionale-aprobat-planul-anual-de-finantare>.

accordance with the new Guidelines on RBM of RD policy. The results of the first experience as well as the recommendations for further improvements were discussed at a workshop on 17-18.05.2019. Skills of 16 participants (10 men and 6 women) from MARDE, RDAs and GIZ in reporting on the implementation of the NSRD/RDS in accordance with the new RBM requirements were improved.⁵ Also, as results of this workshop, the Guidelines on RBM of RD policy were amended and approved by the Minister with Order nr. 167 dated 27 June 2019. Based on this, MARDE and RDAs are preparing the 2019 annual reports on implementation of the NSRD and RDS.

The revision of the RBM for regional development projects has been initiated in December 2019 and the development of the new Guidelines on results- based monitoring and evaluation of Regional Development Projects is initiated.

4.2. Specific objective B

Specific objective B envisages that the capacities of RDCs and partner LPAs to plan, coordinate and implement are improved.

Support for RDCs

During the reporting period, due to parliamentary and local elections, the support to RDCs was limited. Therefore, the main GIZ activities related to RDCs refer to:

- Methodological support to RDAs in elaboration and presentation to the RDCs of annual and semi-annual reports on implementation of RDSs, based on new RBM requirements;
- Organization of an in-country study visit for WSS RSC members from Gagauzia DR (including LPA representatives and service providers) to the successfully implemented WSS projects in Cahul and Leova rayons. In total, 14 participants (3 woman and 11 men) benefited on exchange of experience and good practices from regionalisation of WSS services;
- Technical and advisory support to RDAs in updating of informational portals for RDCs/RSCs members from 4 development regions, which are placed on RDAs webpages. For this purpose, a workshop on functioning of existing info portals was organized on 9 April 2019 with MARDE and RDAs. At the workshop, the concrete measures for improvement of information systems and preparatory works for the new composition of RDC were agreed.

Also, an analysis of the current status of RDCs/RSCs was done and recommendations, including action plan, focused on further strengthening the capacities of the new composition of RDCs were presented and further discussed with partners.

Promotion of the results of participatory sectoral planning in ATU Gagauzia DR

GIZ provided conceptual support to RDA Gagauzia to present the results of participatory sectoral planning in WSS, RLR and EE to the donor coordination council for Gagauzia. However, the event did not take place due to parliamentary and local elections as well as the elections of Baskan of Gagauzia. Nevertheless, some materials regarding regional planning were distributed during the International Investment Forum 'Invest Gagauzia – 2019', that was organized in Comrat on November 8, 2019.

⁵ See <http://madr.gov.md/ro/content/1642> & <https://bit.ly/3aL4Tqn>.

Compilation and dissemination of the lessons learned from participatory local planning

In 2019 Local Development Plans for 4 partner LPAs in WSS and EE sectors were developed in a participatory way and endorsed by the Local Councils.

Additionally, during the reporting period, the experience gained throughout the participatory planning processes in WSS sector and EE in public buildings in all 25 LPAs (1st and 2nd level) was analysed and the lessons learned are available for dissemination at the upcoming info sessions on strategic sectoral planning to be organized by RDAs for new elected LPAs.

4.3. Specific objective C

Specific objective C ensures that RDAs are capacitated to implement Public Service Projects (RSPs) developed within the Regional Sector Programmes.

Capacity development for RDAs

During the reporting period, the role of the Regional Development Agencies as contracting authorities was strengthened. The RDAs continued the application of a European procurement approach (following EU PraG) for projects financed by international donors, based on an operation manual developed with GIZ support and approved by the partners.

Considering the experiences made during the procurements for EU-funded technical designs for infrastructure projects the operation manual underwent a joint review. The manual was updated accordingly in the first quarter 2019 and the scope was extended to the procurement of works. The manual will be used for the tendering of construction works for the EU-funded infrastructure projects in WSS and EE.

Additionally, 8 key procurement and project implementation specialists of the RDAs were introduced during March and April 2019 in two training sessions in Romania to new EU procurement procedures and project implementation recommendations.

Technical design for 18 infrastructure projects funded by EU

In 2019 the technical design documentation for 18 PSPs (10 WSS and 8 EE school rehabilitation) was finalized, confirmed by GIZ construction department and successfully transferred to LPAs ownership.⁶ For the 10 PSPs in WSS sector the EU funded action delivered 19 infrastructure measures consisting of 7 town projects and 3 project clusters containing 12 local or intermunicipal projects.

| EU supported WSS technical design contracts | WSS measures | Number of beneficiaries |
|--|--|--------------------------------|
| 1. Edinet town | 1. Edinet town, improving water supply services | 11856 |
| 2. Falesti town | 2. Falesti town, Improving water supply services | 14967 |
| 3. Drochia town | 3. Drochia town, improving water supply services incl. new drinking water purification and rehabilitation of wells | 12240 |
| 4. Riscani cluster | 4. Riscani rayon, water intake, purification plant and inter-municipal water main | 9588 |

⁶ <https://bit.ly/3aKM7zp> ; <https://bit.ly/2uEN5wh> ; <https://bit.ly/2Rw2qsj>.

| EU supported WSS technical design contracts | WSS measures | Number of beneficiaries |
|--|--|--------------------------------|
| 4. Riscani cluster | 5. Riscani rayon, improving water supply in Pascauti and Damascani villages, Costesti commune | 6812 |
| | 6. Riscani rayon, improving sewerage services in Galaseni commune (including Malaiesti village) | 1791 |
| | 7. Riscani rayon, improving sewerage services in Hiliuti village | 2400 |
| 5. Ungheni town | 8. Ungheni town, improving water supply and wastewater services | 30269 |
| 6. Ustia locality | 9. Dubasari rayon, Ustia locality, improving sewerage services | 3011 |
| 7. Calarasi town | 10. Calarasi town, improving water supply and wastewater services | |
| 8. Cahul cluster | 11. Cahul rayon, improving water supply services in the commune of Pelinei, including Satuc village | 14632 |
| | 12. Cahul rayon, improving water supply services in the commune of Gavanoasa (Vladimirovca and Nicolaevca) | 2183 |
| | 13. Cahul rayon & ATU Gagauzia, construction of water main Lebedenco- Alexandru Ioan Cuza, | 2111 |
| | 14. ATU Gagauzia, water main extension from Vulcanesti to Vulcanesti free economic zone | 1333 |
| 9. Leova town | 15. Leova town, extension of sewerage network | 1570 |
| 10. Leova villages | 16. Leova rayon, largara town, improving water supply services | 3957 |
| | 17. Leova rayon, Filipeni village, improving water supply services | 3024 |
| | 18. Leova rayon, Romanovca village, improving water supply services | 477 |
| | 19. Leova rayon, Cupcui village & connection to Sarata Noua village, improving water supply services | 3106 |
| | | 97966 |

| EU supported EE technical design contracts | EE measures | Number of beneficiaries |
|---|---|--------------------------------|
| 1. Singerei rayon | 1. 'Iurie Boghiu' Gymnasium, Flaminzeni, | 328 |
| 2. Balti Municipality | 2. 'Dimitrie Cantemir' Lyceum, Balti municipality | 955 |
| 3. Ungheni rayon | 3. Increasing energy efficiency of 'Mihai Eminescu' Lyceum, Ungheni town | 1288 |
| 4. Soldanesti rayon | 4. Increasing energy efficiency of 'Alexei Mateevici' Lyceum, Soldanesti town | 630 |

| EU supported EE technical design contracts | EE measures | Number of beneficiaries |
|---|--|--------------------------------|
| 5. Dubasari rayon | 5. Increasing energy efficiency of 'Holercani' Lyceum, Holercani village, Dubasari rayon | 330 |
| 6. Straseni rayon | 6. Increasing energy efficiency of 'Ion Vatamanu' Lyceum, Straseni town | 645 |
| 7. Leova rayon | 7. Increasing energy efficiency of 'Constantin Spataru' Lyceum, Leova town | 606 |
| 8. Basarabeasca rayon | 8. Increasing energy efficiency of 'Matei Basarab' Lyceum, Basarabeasca town | 264 |
| | | 5046 |

The EU budget in support of financing the technical designs was fully used. Latest amendments concern the inclusion of ATU Gagauzia with an extension of WSS Cahul to Vulcanesti free economic zone, following an earlier approval by the NCCRD.

The costs for the technical designs amount to 2.4 MEUR, covered by EU funds (2.34 MEUR) and LPA contributions (0.6 MEUR):

| | EU contribution EUR | LPA's contribution EUR | Total costs, EUR |
|-----------------------|------------------------|---------------------------|---------------------|
| Total 8 EE projects | 326,105 | 738 | 326,843 |
| Total 10 WSS projects | 2,017,684 | 62,822 | 2,080,506 |
| Total | 2,343,789 | 63,560 | 2,407,349 |

More details are displayed in annex 3.

Despite timely completion, delays occurred due to

- limited capacities of Moldovan technical design companies,
- required concept revisions in correspondence with incomplete design services,
- the quality assurance process by the GIZ Construction Department and
- time-consuming permission processes by the decentralized services of institutions responsible for electricity supply, national roads or railways.

Most established local conditionalities are adhered to. LSC meetings to monitor the progress, to discuss challenges and to develop ways forward in the implementation process were organized twice for each project during the reporting period. In two cases (EE Ungheni and EE Basarabeasca) the local manager positions require strengthening, respectively correct contractual set-up.

Implementation of infrastructure projects funded by EU

The completed technical designs constitute the basis for possible investments in 8 schools (EE) and 19 WSS infrastructure projects. Based on calculations, the technical designs will be able to serve for investments totalling about 65 MEUR (EE projects 12.7 MEUR, WSS projects 52.3 MEUR).

By the end of 2019 in support of those investments, 32.4 MEUR are granted by the EU and about 3.4 MEUR are currently guaranteed by the beneficiaries (s. Annex 4). As the available amount

will not cover all investment opportunities, EU and MARDE are requested to agree on a prioritisation of projects for construction. A possible scenario was prepared by GIZ and shared with EU and MARDE, taking into consideration the following aspects:

- The EU Action aims at constructing 10 fully functional WSS projects and 8 EE projects;
- The development regions should possibly benefit equally;
- The school rehabilitation projects, focusing on EE measures enjoy priority as they have a clear and very visible orientation to raising the future generations in a decent, energy efficient, educational ambience. Beneficiaries are requested to co-finance non-key EE measures like e.g. kitchen equipment, canteen renewal or schoolyard works;
- None of the planned functional units of the water or wastewater projects will be artificially split into smaller sections (creating reduced outreach and reduced number of direct beneficiaries). The selected technical designs should be each implemented as a whole;
- In the WSS sector, preference for implementation is given mainly to town projects to boost the development potential of these rural centres. Beneficiaries will be requested to increase the local contribution to town WSS projects.
- The degree of commitment to the established conditionalities for project implementation, such as availability of a local project manager, financial contribution of LPAs/citizens, approval of cost covering tariffs or agreements on regionalisation of service delivery;

Based on these assumptions a priority list of construction projects was compiled (s. annex 5), dividing all designed projects into 1st and 2nd priorities for implementation. The 1st priority projects will be covered from the available EU funds and local contributions. All stakeholders are requested to bundle available co-funding in support of the project implementation for the 2020 and 2021 budgets. For the 2nd priority projects GIZ and the EU Delegation recommend the beneficiaries to apply for Moldovan national funds and/or available international sources. MARDE is requested to identify opportunities to include these projects as priorities into the Moldovan regional planning and programming system.

The upcoming period will focus on the selection of construction measures covered by secured budgets. MARDE, respectively the NCCRD, is asked to confirm the priority list. Subsequently the projects can be published for tendering by the RDAs.

The financing agreements between GIZ and RDAs have been concluded in September 2019. As the scope of the 18 construction projects is not yet clarified, the agreements are signed based on preliminary figures and will be updated as soon as the decision is taken. The RDAs opened the required bank accounts to receive the first tranche (advance payment) to launch the tender for hiring construction supervisors or to seek for additionally required staff. Furthermore, they are prepared to pay the advance payments to the construction companies as soon as the first construction contracts will be concluded. The first construction tender procedures are planned for March 2020. The preparation of tender dossiers has started.

Complementary support to infrastructure projects

In 2019, in support to (i) *local planning and programming*, Local Development Plans for 4 partner LPAs (1st and 2nd level) in WSS and EE sectors were developed in a participatory way and endorsed by the Local Councils.

In relation to (ii) *inter-municipal cooperation (IMC)*, WSS service arrangements are almost all in place for the regional projects in Cahul rayon and Leova rayon. Additionally, all 5 town LPAs (Edinet, Falesti, Drochia, Calarasi and Ungheni) signed service delegation contracts with water operators. Only in Riscani rayon (Cluster Prut) the service delegation is still not clarified, due to ongoing discussions regarding the appropriate WSS operator.

Support for *(iii) capacity development* for LPAs and service operators targeted by the project was provided. GIZ continuously support the LPAs and WSS operators and Energy teams via on the job trainings and via targeted trainings implemented by TUM, APA and AMAC. Besides others a study visit to Romania was organised for the local managers, during 02.-07.06.2019 for aspects on public procurement and contract management. 24 participants (16 men and 8 women) took the opportunity to learn from the Romanian experience in implementing EU-funded projects.⁷ Further capacity development activities are described in section 4.4.

In relation to the *(iv) awareness raising and mobilization* activities a workshop was conducted in March 2019⁸ to present and analyse the experiences, gained by contracted Civil Society Organisations (CSOs) gained during their support to participatory planning, monitoring of procurement, promotion of IMC, as well as in awareness raising and empowering citizens through LCCs. The lessons learned and recommendations will be used and applied in further implementation of the EU financed activities on citizens' empowerment (s. section 4.5).

The overall progress in implementation of the PSPs is available in Annex 2.

Seven pilot investment measures

By the end of 2019 all pilot investment measures, financed by Germany, Romania and Switzerland are successfully implemented by the RDAs.

The Swiss financed WSS project Cahul-Lebedenco was completed in July 2019 and handed over to the beneficiary on 28 August 2019⁹. As result approx. 2700 inhabitants of Lebedenco, Hutulu and Ursoaia villages have access to potable water. 884 individual connections points for households were constructed. In the first five months after the finalisation of the construction the JSC 'Apa Canal Cahul' contracted already 482 households and the contracting process continues. 560 households already paid for their connection. In support of achieving a high rate of citizens connecting to the system, during 12 July and 1 October 2019, a civil society organisation, contracted by GIZ, carried out an awareness raising campaign¹⁰. The campaign included meetings with the citizens in each of the villages, cultural activities during village day celebrations and cycling races.

The Romanian financed project 'Connections of individual houses in Rosu village to the sewerage system' was transferred to the commune in September 2019. 577 sewerage connection points for single and multiple users allow to serve 2885 citizens, public institutions and private enterprises.¹¹

In April 2019 the German financed construction of 'Leova - Iargara drinking water pipeline' with a length of 22,9 km. As a result, approx. 50.000 inhabitants from Leova Rayon have improved access to potable water. The National Fund for Regional Development contributed with EUR 452,153 and the Leova Rayon Council contributed with EUR 51,282 to the finalisation. The inauguration of the completed project took place on 13 September 2019.¹²

4.4. Specific objective D

Specific Objective D ensures that representatives of rayon's, municipal and local service providers benefit from demand-oriented training modules of governmental and non-governmental organizations for modernisation of local public services in the priority sectors.

⁷ <https://bit.ly/2Oiqddl>

⁸ <https://bit.ly/2O1DXJe>

⁹ <https://bit.ly/37vNj7v>

¹⁰ <https://www.facebook.com/campanie.lebedenco.1>

¹¹ <https://bit.ly/2RUaKkl>

¹² <https://bit.ly/2RwnQpd>

Institutionalisation of trainings

1) Academy of Public Administration (APA)

In 2019, three training modules were reimplemmented in cooperation with APA: (1) Management of public property (4 courses), (2) Management and project development (2 courses), (3) Public procurement and conflict of interest (2 course). All training modules have been approved by the APA Senate and included in the curriculum of professional development courses last year.

As follow-up to training on 'Management of public property' and in preparation of future hand-over of public assets and their correct registration, partner LPAs were introduced to legal and regulatory requirements and received further training on public property registration. The focus was on requirements to establish records for local accounts registers, local registers for public property and functional urban cadastres. Through this, the LPAs' capacity to register, administer and maintain public property was enhanced. However, further assistance will be required in the future due to lack of staff, experience and basic documents.

2) Technical University of Moldova (TUM)

WSS Sector

In 2019, one training module was updated in cooperation with TUM's Institute of Continuous Education in the WSS Sector (ICEWSS): (1) Management of WSS networks. Moreover, two new training modules were developed: (1) Operations of Waste Water Treatment Plants; (2) Energy Management and Automatisation I WSS. Both training modules have been piloted and re-implemmented in the reporting period. In addition, the training module 'Accounting and Taxation in WSS sector' was updated and implemented by the training institution Contabil Service Ltd, since TUM does not have expertise in finance. AMAC continued to play an important role in modules institutionalisation within both training institutions.

EE Sector

In cooperation with TUM's Centre of Continuous Education in the Energy Efficiency in Public Buildings (CCEEEPB) two training module were reimplemmented in 2019: (1) Efficient management in public buildings (2 courses) and (2) Management of energy efficiency of public buildings projects (3 courses).

The planned elaboration of the new training module 'Energy audit of public buildings and their related engineering systems' and the further reimplemmentation of the module 'Efficient management in public buildings' was delayed due to a number of reasons such as the lack of secondary legislation regarding energy auditing, lack of trainers and lack of capacities in risks prevention and management on behalf of TUM. During a meeting on November 29th with CCEEEPB representatives and workshop on December 10th with TUM, EEA and other stakeholders, the following solutions were found for a successful finalization of the new training module and organization of further training courses: a new manager of the EE department is appointed by December 2019 and TUM is establishing a close cooperation with EEA and other public institutions to ensure the participation of participants in the planned EE trainings. To achieve this result, GIZ will provide further support and expertise.

3) Chamber of Commerce and Industry of Moldova (CCI)

The Chamber of Commerce and Industry implemented the European Energy Manager Course (EUREM) in the period 23.03.2019 to 25.05.2019¹³ The course was attended by 14 participants (including 2 women) from which 11 participants (9 men, 2 women) were eligible for financing from GIZ and other 3 persons (3 men) were financed by their organizations. All of them passed the

¹³ EUREM Course launching event - <https://bit.ly/2RMiDs0> and during the training <https://bit.ly/2RvH9Pm>

theoretical examination. However, only eleven delivered the practical works and successfully passed the practical phase (9 men, 2 women).

Satisfaction with Training Modules

An aggregated evaluation of all training modules piloted or reimplemented in 2019 is available. A total number of 481 persons participated in the training modules. The number of participants decreased a lot in comparison to 2018 (757 participants in training). Due to the unstable political context, government changes and local elections, most trainings scheduled for the second half of 2019 were pushed to 2020. Of the 481 participants, 57% were female and, 43% were male. The satisfaction of the participants with the offered training modules remained high throughout the year. Across all training modules, 65% strongly agreed with the statement 'The training course was useful for my work'. 35% agreed with the statement.

Organisational development of training institutions

1) Academy of Public Administration

By participating in the regional project 'Strengthening the networks of civil servants training facilities', the capacities of APA trainers to apply modern training methods were continuously improved during the reporting period. The trainers benefited from several ToTs to improve their methodological and didactical skills and attended exchange measures in Berlin, Georgia and Ukraine to learn about best practices in the region (see chapter 2.3 for further information).

2) Technical University of Moldova

With the support of GIZ, the Continuous Education Centre of the Technical University of Moldova started to elaborate its institutional development strategy for 2019-2023 in the beginning of 2019. A working group was established to draft the document with the support of experts. In a series of workshops and brainstorming sessions the main pillars for development have been identified and validated by the TUM management:

- Adoption of a more customised targeting of potential institutional clients;
- Improvement of skills for training needs analysis;
- Obtaining accreditation of the training programs by the Ministry of Education;
- Development of training modules requested by the market, including the ones needed for obtaining obligatory professional qualifications;
- Building partnerships with large companies and development organisations.

To further support the institutional development of TUM, a study mission to Germany was organised for the management of TUM, a group of professors and 2 students. The mission took place in the period 1-6 July 2019¹⁴. The following topics were addressed during the study visit: i) Best practices and new topics/methods in trainings in WSS sector; ii) Promotion of technical education in the WSS sector; iii) Identification of potential partnerships between ICEWSS/TUM and German universities (e.g. to set up exchange and internship programme for professors or students). As a result, a Cooperation Agreement with the University of Applied Sciences in Erfurt was developed.

Exchange of information, experience & good practices

In cooperation with AMAC a series of four study missions to Romania to visit the regional WSS operator 'Apa-Vital Iasi' were organised. Each mission had a separate topic and included lectures, presentation and site visits. Furthermore, in the period June 10-15, 2019 GIZ organised a study

¹⁴ Study visit in Germany by delegation from TUM <https://bit.ly/2God65M>

mission to Germany for a group of 8 Moldovan managers of WSS operators. The delegation also included one representative of AMAC and one representative of TUM. The mission's objective was to get familiarised with the modern technologies and operations in the water sector as well as to set partnerships for further cooperation.

On September 17th GIZ in cooperation with AMAC organised a National Conference for the Water Supply and Sanitation Sector with the main theme 'Infrastructure projects in water and sanitation. Experience and lessons learnt'¹⁵. More than 120 participants, representing WSS operators, central and local public authorities and development partners have discussed the existing challenges in the sector, possible solutions and needed policy adjustments. The participants got familiar with the best international practices (Romanian and German) in this area.

The main outcome of the event is the Conference Resolution, which states a series of recommendations and proposals to modify the policies and approaches in the field of Water Supply and Sanitation, grouped in three areas:

1. Modification, adjustment and proper implementation of the legal framework;
2. Promotion and facilitation of WSS service regionalisation;
3. Developing the human resources and institutional capacities of WSS operators.

The resolution was sent to the Ministry of Agriculture, Regional Development and Environment, as main body responsible for Government's policies in the water sector.

Developing the capacities of WSS operators

In the WSS area, GIZ provided advisory support to 8 WSS operators to develop their own Diagnostic Analysis and based on the main findings 7 out of 8 companies have developed business plans. Additionally, WSS operators are being supported in application of the tariff's calculation methodology, recently approved by ANRE. By the end of the reported period 3 operators have their tariffs developed and approved according to the ANRE methodology.

Supporting the creation of Energy Teams

In the area of Energy Efficiency in public buildings, GIZ assist 8 educational institutions to develop the concept and methodology for the further implementation of an energy management system. In all schools energy management teams (5-8 persons), led by the Energy Managers, were created. During 2019 the energy policies of the institutions were elaborated. Data on energy and water consumption was collected and analysed for the period 2016-2019, performance indicators were identified and endorsed.

Complementary Private Sector Support

GIZ has contracted the Chamber of Commerce and Industry to provide support to the private sector in preparing, submitting and implementing coherent and realistic bids for public tenders to implement investment projects in the public area. The following results were delivered:

- a market research on the financial and operational capacity of the construction companies in the Republic of Moldova,
- a bidder's guide¹⁶ for interested companies

¹⁵ <https://bit.ly/2Rx47FC>

¹⁶ <https://chamber.md/achizitii-publice/achizitii-publice-ghidul-ofertantului/>

- information sessions & workshops on public procurement procedures according to the GIZ Moldova Regulation in the field of Public Procurements adapted to EU PRAG provisions.

4.5. Specific objective E

Specific objective E envisages active participation of citizens in implementation of local public projects.

Selection of Partner Organisations

To support the citizens engagement in public project implementation GIZ selected four regional civil society organisations (CSOs) as implementing partners. Each of the organisation will work in one of the Development Regions North, Centre, South and UTA Gagauzia:

| Region | CSO | Grant amount, EUR |
|---------------|--|--------------------------|
| North | Pro Cooperare Regională & CASMED | 1,000,000 |
| Centre | Asociația pentru Guvernare Eficientă și Responsabilă & ADR Habitat | 1,000,000 |
| South | CRAION CONTACT-Cahul | 800,000 |
| UTA Gagauzia | Centrul European Pro-Europa în Comrat & Centrul CONTACT | 400,000 |

Additionally, in July, GIZ awarded a 550,000 EUR grant to a CSO with experience in communication to increase outreach and communication – Association of Independent Press (API), which will further provide specific capacity building to local and regional CSOs in communication and media outlets, support local media CSOs in awareness raising campaigns and public events for improving public service delivery, as well as sub-grant to local and regional media and communication organisations to produce media content and communication materials.

Local Grants Programme (LGP)

The regional CSOs will implement a local grant programme (LGP) to facilitate the participation of citizens in integrated planning and programming at local levels and to increase the understanding of benefits of inter-municipal cooperation. Another important aspect is the participation of citizens in monitoring the procurement and construction of local public infrastructure. Cross-cutting initiatives to raise the awareness of citizens, including children, of environmental, socio-economic and financial issues related to local public service delivery in the areas of WSS, SWM, EE and other relevant environmental and socio-economic aspects will be also supported via the LGP.

The LGP was launched in the regions on 18 November 2019. Regional partner CSOs and the CSO with experience in communication organized launch events and a series of information sessions for prospective grants applicants. Deadline for submission of applications within the first call for proposals is set for end January 2020.

The information sessions were also used as platform for dissemination of the RDAs information on announced competition for selection of civil society and business sector representatives in RDCs. The RDAs participated in 6 out of 15 information sessions and events organized in all four development regions, thus informing 150 CSOs of the opportunities to be part of the regional decision-making.

For implementation of the LGP, GIZ together with its partner CSOs developed an Operational Manual and an Applicants' Guide. The Applicants' Guide is made available through the website created for the LGP implementation www.eu4civilsociety.md.

Partners CSOs capacity development

To ensure consistent and proactive application of GIZ and EU operational and visibility rules at all levels, but also for efficient implementation of the LGP, GIZ is providing specific and periodic capacity development assistance to partner CSOs. In this context, two trainings were organized to enhance the partner CSOs' grant management performance and administrative excellence.

GIZ carried out a desk review of partner CSOs experience in the field of awareness raising on community mobilization, participation in decision-making, and monitoring of public procurements.

Generally, the organizations have an undoubtful experience in citizens' empowerment. Nevertheless, their capacity to manage certain components of the action varies, particularly related to specific experience in mobilizing people for monitoring procurement and construction works in project target sectors – WSS, SWM, EE. Additionally, partner CSOs are concerned with sustainability of soft interventions, particularly the sustainability of regional networks to be created, therefore the project will put effort to find appropriate tools and techniques for efficient CSOs networking and cooperation.

Local CSOs capacity development

Via the project partner CSOs, starting with October 2019, capacity development activities for local CSOs are being carried out. During October-December 2019, 248 participants (including 187 women) representing 148 local CSOs and initiative groups from 110 communities were trained on project proposal development and project management. The trainings will support prospective grant applicants to submit qualitative project proposals, based on citizens' needs.

Citizens participation in 18 infrastructure projects

As complimentary support to the EU-funded projects for development of technical designs and construction of selected WSS and EE infrastructure projects in the Republic of Moldova, GIZ provided support to 25 representative local citizens committees (LCC). The LCCs represent different social groups. They participated in local steering committees (LSC) and continued to monitor the design companies' contracts implementation, as well as in to be involved in activities for collection of local contributions to the projects.

Most LCCs meet quarterly to discuss progress of the project implementation. In total over 1100 women and men (including older persons, young, and representatives of Roma community) in target localities participated in over 80 events, including meetings for presentation of technical design documentation and meetings to agree on the lists of vulnerable people to be exempted from or benefit of reduced rate of the contribution for individual connections to WSS. LCCs voiced over 15 different proposals, and all of them were accepted by the decision-makers, e.g., approval of lists of vulnerable people, differentiated rates for connection or publicly available map of construction interventions.

4.6. Cross-cutting issues

The MLPS project contributes to the achievement of the sustainable development goals (SDGs) 6 Clean Water and Sanitation, 7 Affordable and clean energy and 16 Peace, Justice and Strong

Institutions. Subsequently, the project contributes direct in achieving the following targets of the 2030 Agenda for Sustainable Development:

- 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
- 6.b Support and strengthen the participation of local communities in improving water and sanitation management
- 7.3 By 2030, double the global rate of improvement in energy efficiency
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels;
- 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements;

Furthermore, GIZ 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.

GIZ 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.

Aspects related to gender equality, environment, and climate change adaptation and mitigation are mainstreamed in all GIZ documents and activities and requested to be mainstreamed by the project partners. For this, these issues were directly addressed in the Call for Concepts launched to select partner CSOs to implement the Local Grant Programme. Subsequently these aspects will be further addressed and monitored by GIZ and partner CSOs through capacity development, participatory planning and monitoring as well as awareness raising activities envisioned under this intervention. Gender and social aspects are part of local CSOs capacity development, subsequently sub-granting activities are mainstreamed with social and gender aspects to ensure equitable participation of men and women and different social groups in all activities at local and regional levels.

Since an initial comprehensive gender analysis for the project has been conducted in 2016, in the context of the project proposal adjustment and new specific objective included, GIZ is carrying out a review of the initial MLPS project gender analysis. The analysis, to be finalized in Q1 2020, will bring up-to-date gender indicators, gender mainstreaming approaches within the project activities, and will propose activities to ensure men and women equally participate in all project activities and processes, and benefit of the final project results.

5. Communication and visibility

To promote the progress and showcase the results achieved through the MLPS project and related EU-funded actions, GIZ informed the public via their official web-page or accounts on the social media, like Facebook. Regular posts are made on the GIZ Moldova Facebook account. All posts are accompanied by hash-tags to identify the action scope and increase Project and donors' visibility, e.g. #MLPS, #dezvoltareregionala, #EU4Moldova, #EU4CivilSocietyMD.

For greater transparency and information on the EU-funded support to CSOs and opportunities within the Local Grant Programme GIZ launched the website www.eu4civilsociety.md, with versions in Romanian, Russian and English. The website offers an on-line system to apply for grants.

To raise awareness about the EU-funded infrastructure projects in WSS and EE, GIZ participated in the Europe Day festivities organized in Chisinau on 11 May and Cahul on 18 May. Infographics and banners were developed to demonstrate the achievements of the given project. Drawing sessions with and for children were organised. The children's drawings featured the importance of water and energy efficiency. A dummy of a passive house was exhibited, and visitors had the chance to find out more about energy efficiency in houses and public buildings.

GIZ participated in two events related to the EE sector – conducted within the European Union Sustainable Energy Week (EUSEW). The event in Balti on 19 June 2019 aimed at an exchange between technical design experts and owners of public buildings on the various technical challenges and possible solutions of energy efficiency rehabilitation projects of this scale. The event in Chisinau on 27 September 2019 was organized in a projects market format and aimed at presenting EE projects implemented in Moldova by various organizations/institutions to the public.

The handing over events of WSS projects in Cahul-Lebedenco¹⁷, Rosu¹⁸ and Leova-Iargara¹⁹ were reflected on social media networks, the MLPS website and via media outlets. Promotional materials such as t-shirts, caps, eco-bags, flyers or banners highlighted the support of Germany, Switzerland and Romania.

The support to the water sector was highlighted at a conference, organised by AMAC, that took place on 17 September 2019. The visibility of partners (Germany and Switzerland) was ensured by promotional and handout materials such as eco-bags, maps, notepads, pens, etc. The MLPS website and social networks accounts covered the event. It was also reflected by media outlets in their newscasts.²⁰

6. Ensuring the sustainability of measures/interventions

To ensure the sustainability of measures and interventions, the project ensured throughout the reporting period that its objective and expected outputs continued to be aligned with national, regional and local needs and sector-specific requirements. This way the project ensured to be consistent with the priorities of Moldovan partners. Partner systems were used as far as possible to implement measures and interventions, thus avoiding the creation of parallel implementation structures through the project. Through the application of a multi-level approach, learning experiences at local and regional level were fed into the policy dialogue at national level.

Furthermore, the project paid attention to the social, economic, organisational and environmental sustainability of measures and interventions.

Through the promotion of citizen-orientation and the application of a participatory approach in project implementation, the project tried to ensure the **social sustainability** of measures. For example, LPAs were supported to update their strategic planning documents in the WSS and EE sectors and consult them with citizens to be further approved by local councils. In addition, the project supported the capacity development of groups of citizens to better monitor the delivery of public services, provide constructive feedback and supported an increased involvement of

¹⁷ <http://bit.ly/2tKHPre>

¹⁸ <https://bit.ly/2vrLN8v> ; <https://bit.ly/2O0ba7W>

¹⁹ <https://bit.ly/2vqOl6S> ; <https://bit.ly/2t02bvZ> ; <https://bit.ly/3aPZxKC> ; <https://bit.ly/2t5eTK4> ; <https://bit.ly/2O0bMug>

²⁰ <https://bit.ly/38JJFr3> ; <https://bit.ly/2Gu39DP>

citizens in public procurement processes. This contributed to an improved transparency of processes led to a better acceptance of decisions of public authorities.

To increase the **economic sustainability** of measures, the project pays attention to the financial sustainability of implemented activities. While this is relevant for all project activities, this becomes especially important in the implementation of the infrastructure projects. Therefore, the LPAs overall contribution for the technical design of the infrastructure projects was for example included in the LPAs budget and it was agreed that for the construction stage this will be used as LPA co-finance. Moreover, the project ensures the collection of local contributions from households for the individual connections to WSS services. Through increasing the energy efficiency in public buildings and infrastructure systems, the cost for maintenance will be reduced. As a result, the approved energy efficient action plans can be implemented partly from LPAs resources and partly from existing national funds.

Furthermore, the project focuses on **organisational sustainability** by continuously supporting its partners in strengthening their capacities to better fulfil their roles, tasks and responsibilities. In this respect, the project supports MARDE in putting in place a coherent framework for the effective implementation of national regional development policy, including a clear division of tasks and competences. Partners such as LPAs, WSS operators and Energy teams were supported in the development and elaboration of their business and capacity development plans to further strengthen their organisations. Moreover, APA, TUM, CCI and AMAC provided targeted training measures and on the job trainings to complement the advisory support and further develop the capacities of the project partners.

Aspects related to **environmental sustainability** are mainstreamed in all project activities. All prepared technical designs for the infrastructure projects obtained the Environmental Impact Assessment (EIA) to identify, predict and evaluate the environmental impact of the projects. The EIA provide information on the environmental consequences for decision making and promote environmentally sound and sustainable development through the identification of appropriate alternatives and mitigation measures. All EIA recommendations will be strictly monitored during the construction stage. Moreover, the project provides advisory support to LPAs, RDAs, RDCs and MARDE on the adoption of crosscutting issues such as environmental sustainability in local and regional policies, programs and projects, among other with priority on environmental sustainability. Knowledge sharing based on identified best practices thereby constitute a key element for capacity development.

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

| Outputs | Main milestones for the next period (January – June 2020) ²¹ | Time frame/ milestones |
|----------|---|--|
| Output A | <ul style="list-style-type: none"> - The concept for the new RD Paradigm is approved by NCCRD - Revised RBM for NSRD and RDS is applied. Reports on implementation of NSRD and RDS are available - RBM for programmes/projects funded from NFRD (and possibly NEF) is revised and harmonized with the NSRD RBM framework - Capacity of MARDE and RDAs in RBM is enhanced (advisory support, workshops, study visits) | <p>Q1, 2020 Q1, 2020</p> <p>Q1, 2020</p> <p>Q2, 2020</p> |
| Output B | <ul style="list-style-type: none"> - Advisory support in creation of the new RDCs/RSCs in 4 DRs is provided - Donor community is aware about the results from participative planning in WSS, EE and RLR for ATU Gagauzia DR - Lessons learnt from participatory local planning in EE in public buildings and WSS sectors are compiled and disseminated - RDA specialists are capacitated in elaboration of project proposals | <p>Q1, 2020</p> <p>Q1, 2020</p> <p>Q2, 2020</p> <p>Q1, 2020</p> |
| Output C | <ul style="list-style-type: none"> - 3 RDAs develop and approve 10 tender dossiers in WSS and 8 in EE projects - The organization of 18 public procurement procedures for contracting the construction works are ensured by 3 RDAs and LPAs according to the approved public procurement procedures. - 18 contracts are signed by RDAS with construction companies and technical supervisors. - 8 specialists from 4 RDAs are capacitated in the accounting and financial management procedures. | <p>Q1/Q2, 2020</p> <p>Q2, 2020</p> <p>Q2, 2020</p> <p>Q2, 2020</p> |
| Output D | <ul style="list-style-type: none"> - 10 training modules are developed/updated and re-implemented; - 5 WSS operators supported in applying the ANRE tariffs calculation methodology; - AMAC and Balti WSS operator is supported by integrated expert; - Construction companies in WSS/EE sectors are trained regarding relevant procurement procedures and related technical aspects; - Energy Management System is implemented in 8 schools - 1 Open Forum on Local and Regional Development organised | <p>Q1/Q2, 2020 Q1/Q2, 2020</p> <p>Q2, 2020 Q2, 2020</p> <p>Q2, 2020 Q2, 2020</p> |
| Output E | <ul style="list-style-type: none"> - Selection of project proposals to be awarded with grants - Capacity development and networking events for CSOs on citizens' mobilization and participation in decision-making - Training of LCCs representatives on public procurement and implementation of infrastructure projects - Support to LCCs in awareness raising and collection of local contribution for individual connections to WSS | <p>Q1, 2020 Q2, 2020</p> <p>Q1, 2020</p> <p>Q2, 2020</p> |

²¹ http://serviciulocale.md/public/files/plan_operational/2019_11_14_MLPS_Operational_Plan_2020_VB_EN.pdf

8. Opportunities and challenges/risks

8.1 Challenges, risks and mitigation measures taken

The Parliamentary elections and delays in the establishment of the new Governments created stagnation in the implementation of the RD policy and related activities, including amendments to the Law on regional development, development of urban development programme, evaluation of NSRD and RDS for the period 2016-2020 and others. Given the change of ministers and state secretaries as well as new composition of NCCRD additional efforts needed to be invested to raise awareness of the new decision makers on regional development priorities and strategic documents initiated by MARDE with GIZ support.

The RDCs as a further element in the regional policy are by now not sufficiently consolidated and not enough experienced to fulfil their coordination role in the implementation of regional sector strategies. RDCs were designed to be large to encourage broad participation. However, their large size is also recognized as an impediment to constructive debate. The main challenge refers to the decision-making process, which is a centralized one (including distribution of funds) and does not allow regions to take decisions based on identified priorities. In addition to that, according to the existing legal framework, all activities are to be done on voluntary basis. The fact that the costs of participation (e.g. travel costs) in council and commission meetings are not compensated reduce the motivation to participate. For example, this was consistently viewed as a major impediment by civil society representatives. Moreover, even though the RDAs are supposed to ensure the secretariat function for the RDCs, they are not fully committed to support RDCs/RSCs activities.

In relation to the EU financed infrastructure projects, further details on the distribution of funds for the construction works are still seeking clarification during the upcoming period by EU, MARDE and possibly by the National Coordination Council for Regional Development (NCCRD) which initially also approved the technical design projects of the preceding EU Action in 2016. Additional beneficiaries' needs, as well as, appearing technical needs identified by contracted technical designers or GIZ Construction Department experts for partly amended WSS system configurations and detailed requirements for school rehabilitations require identification of additional funds when considering the implementation of all projects. Therefore, the process of negotiating complementary local contributions for construction works is ongoing. Respective beneficiaries are requested to prepare for adequate local budget allocations for the coming years for the construction phase. This process demands considerable efforts to obtain necessary, locally guaranteed co-contributions, allowing the projects to further progress. The cost dimensions required emerged from the work process during 2019, allowing the authorities to timely plan their budgets for 2020/21. Pre-alerts in this regard took already place in the context of Local Steering Committee Meetings and discussions regarding construction cost volumes with stakeholders locally, on rayon and regional level as well as on ministerial level since spring 2019.

The technical design documentation was focused mostly on technical outputs (e.g. km, treatment plants, connection points, etc.), and lack clear data regarding number of people to be potentially connected to the designed water or sanitation systems. A general challenge is to obtain updated official population data from coherent sources. For the purpose of the current projects data of 2014 census had to be used, however during the reporting period, the National Bureau of Statistics announced²² that the census data and population number will be revised by a reduction of nearly 25% for the period from 2014 to 2019 due to change of counting methodology. For the upcoming period additional efforts will be needed to identify the exact number of final beneficiaries per each PSP.

²² <https://statistica.gov.md/newsview.php?l=ro&idc=30&id=6409>

Permissions for use of public national road space, railway territories or for electricity connections posed the risk for delaying the completion of technical design services. Private property appeared in few cases as a hurdle for straightforward planning. The long duration of the project implementation and the lack of visible results for citizens caused a low activism and interest among the members of LCCs, thus absence at the organized meetings.

The delayed local elections postponed some of the activities planned at the regional (e.g. RDC/RSC meetings) and local level, as they could be perceived as political involvement or favouring one or the other political party. To mitigate this risk, GIZ avoided holding some meetings at regional and local levels during election campaigns and focussed its activities on elaboration of lessons learnt and on capacity development, including for service operators and CSOs.

The changes in government and delayed local elections also caused the postponement of some of the capacity development measures. The reimplementation of several training modules targeted at LPA staff and RDC members was pushed to 2020 to allow new staff and new members to participate in trainings. Moreover, the organisation of an open forum on local and regional development was postponed to next year. Besides, ensuring sufficient financing for the offered training modules continues to be one of the main challenges for all training institutions. One of the main reasons for this is that public institutions on the central and local level budget too little financial resources for the capacity development of their staff. In particular on the local level, the willingness to spend LPA budget for professional development measures is rather low. On the central level, the State Chancellery allocates on a yearly basis in their 'state order' budget for the professional development of civil servants. This training budget however is generally quite low and decreased over the years. Moreover, in the past mostly civil servants from the central level benefitted from these trainings.

8.2 Opportunities

Once the new Government was in place, a new Activity Programme and Action Plan was developed and approved²³, where regional development remains as one of the Government priorities. These creates an opportunity for continuation of initiated activities within the MLPS project, including further promotion of the new paradigm of regional development policy, urban development policy and amendments to related regional development legislative and normative documents, including those related to RDC functionality. Also, conceptual discussions on the development of a database for managing and monitoring regional development projects took place. Additional funding is planned to be allocated by the German Government to support MARDE and RDAs in the development and application of the new database.

The available technical designs for infrastructure projects in WSS and EE offer investment opportunities to improve local public services in the amount of 65 MEUR. As only part of the possible investments is secured by EU funds national, local authorities as well as the development partners are requested to consider participating in these ready to tender investment opportunities and through this contribution to the further modernisation of services in the country while benefitting from already available approved technical designs.

The loan granted at the end of 2019 by European Investment Bank (EIB) to the Republic of Moldova in amount of 100 MEUR to finance improvements to the country's municipal solid waste management services could serve as an opportunity to pilot the implementation of a solid waste management system in a particular zone based on feasibility studies previously supported by GIZ. Further support to the SWM sector could be provide in the frame of the MLPS project.

The new EU-funded Action for citizens' empowerment offers the opportunity to increase the citizens' awareness on environment and climate related issues, but also to improve citizens and

²³ https://gov.md/sites/default/files/document/attachments/pag_2020-2023.eng_.pdf

public authorities' cooperation and trust regarding WSS, EE and SWM service delivery as these specific areas of intervention are less covered by other CSO related projects. Furthermore, the networking activities with regional and local CSOs will contribute to better exchange of experience and best practices in local development, as well as to constructive, participatory and representative feedback and participation in the work and decision-making with the RDCs and its sector commissions.

9. Lessons learnt and recommendations

9.1 Lessons learnt

The results of the analysis of RDC functionality confirms, that strong RDCs represent an important element of the regional institutional framework consolidation. In turn, RSCs are perceived as a support mechanism for RDCs to increase the expertise capacity, the correlation of the sectoral and regional policies contributing to the capacity building of regional institutions. However, the effective functioning of RDCs/RSCs depends on the availability of adequate resources and tools. The RDC operating experience revealed that the lack of very clear mechanisms for the performance of the duties of regional councils reduces their importance in the development processes (cooperation, mobilization, facilitation, monitoring etc.). Also, it is necessary to finalize the RSC institutionalization process as permanent structures within the RDC, and to provide resources for their proper functioning. The capacity development of RDC/RSC members must be a continuous process to ensure exercising of their basic functions.

The lessons learned from participatory local planning in WSS sector and EE in public buildings indicates that the participatory strategic planning process is a very complex one and requires appropriate capacities of the involved stakeholders. The experience shows that the data collection is the most difficult and time-consuming activity in the document elaboration. Ongoing collection and/or update of data would ease the work in the future planning activities and would allow every LPA to provide and process quicker the information for the current situation analysis. However, the main concern in the implementation of strategic planning documents is linked to the LPA's weak financial capacity. Active involvement of citizens in development, implementation and monitoring of the document has a positive impact on sustainability of the intervention measures.

Related to infrastructure projects the current experience confirms the final cost calculations for the investments can only be done in the technical design phase. Feasibility studies do need to contain cost orientations, but depending on the time frame between those studies and detailed technical design considerable deviations might occur.

To increase the ownership of beneficiaries a minimum of 10% national and local contribution is strongly recommended. The current experiences show that LPAs and citizens contributions to the project implementation (internal WSS network and individual connections) are crucial to ensure a better involvement and higher accountability and thus will make the result of the project more sustainable.

So far, the ownership of the beneficiary communities as one key aspect for successful project implementation is ensured by firmly insisting on agreed conditionalities including

- Approval of investment measures by Local Councils;
- Financial contribution of LPAs/citizens, including the potential requirement to cover exceeding cost;
- Full transparency and access to data & information, including fully transparent and documented public procurement processes, financing arrangements and cost;

- Local Councils approve cost covering tariff and Inter-municipal cooperation in WSS service delivery;
- Engaging a local project manager (local budget) and care for public awareness campaigns, establishment of Local Citizen Committees and Local Steering Committees.

Tasked with local implementation support, a local project manager delegated by the beneficiary contributes considerably to higher commitment, accountability and timely implementation.

Also, based on experiences made with the implementation of other construction projects, further efforts via the CCI are required to acquaint the private sector with the EU PraG based public procurement rules and e.g. especially regarding possibilities to participate as consortia. This appears foremost important in the frame of the EE measures which require a complex set of different works to be carried out in a perfectly concerted way.

Participation of the civil society representatives in procurement procedures has provided more insight into the real situation of selection and the exclusion of speculations in cases where the contracting of economic agents was not carried out after the first auction. The civil society representative (LCC / parents' association) had the real information to further inform and then explain why the project implementation process takes longer over time.

Taking decisions by LPAs on establishing a regional operator was challenging in 2019 because of lack of experience in inter-municipal cooperation, financial resources for reorganisation procedures and proven reference concepts of regionalisation. Furthermore, there is a certain resistance among LPAs to hand over goods to a joint venture and a mistrust in the delegation mechanism, each LPA tends to have its own public service, its own enterprise that can be managed on its own. However, GIZ succeeded to facilitate several regional WSS operators. Further support is needed for LPAs which have delegated water services. Questions related to transferring public assets to the company for operation and of agreeing on principles for royalty payments are still open. Normative acts shall be developed by central public authorities in this respect.

During the reporting period, GIZ observed, that an excessive participation of LPAs and decision-makers in creation and functioning of the LCCs limits the interest, representativity and pro-active participation of the final beneficiaries of the investment measures in oversight activities. Thus, it is important to empower and mobilize citizens (directly benefiting and representing different groups of the community, particularly vulnerable groups) to participate meaningfully in the local services development and delivery.

Also, previous experience shows that to hold public debates is a good tool for consulting a larger number of citizens and finding best solutions for different challenges, but also for ensuring transparency in the community. Issues like tariff setting for WSS, intermunicipal cooperation should be openly discussed by LPAs and involve different social groups of the community, though it is important these are well planned and aligned with any upcoming or in implementation of infrastructure interventions.

9.2 Recommendations

Based on the mentioned above identified findings and challenges, it is considered necessary to carry out a series of actions that would contribute to the strengthening of the RDC and to the improvement of regional development framework conditions as such. The main recommendations refer in particular to:

- Amendment of the legal framework on the establishment of the RDC regarding the composition, structure and selection procedures.

- Information campaigns on RD for LPAs, private sector and civil society organizations, at the stage of launch of competition for the selection of RDC members, to explain the role and functionality of these regional institutional structures.
- Finalization of the institutionalization process of the RSCs.
- Establishment of effective secretariat structure and efficient digital tools for support in proper functioning of RDCs/RSCs.
- Provision of reliable sources of funding for RDC/RSC operation, which can be ensured both from NFRD and/or rayon (district) councils contribution sources (co-financing).
- Development of capacities for RDC/RSC members (e.g. training; exchange of experience etc.).

At the same time, the administrative territorial reform and the decentralization are important preconditions for achievement of these improvements, which would provide more certainty, sustainability and efficiency for the implementation of the regional development policy.

With reference to local sectoral planning, the beneficiary LPAs could ensure the sustainability of knowledge obtained during the support provided in document's elaboration, by replicating and transferring the experience to other LPAs that are going through similar strategic planning processes. This could be done through staff exchange missions or guiding the LPA through the whole planning stages, including involvement of the civil society/local community.

RDAs are recommended to enhance their communication with LPAs and vice versa in order maintain adherence to agreed conditionalities. Communication has also to be improved in order to obtain faster permits from decentralized state services. Despite correct technical designs, this process took up to 6 months, which is considered as too long and has a serious impact on implementation schedules. RDAs are further recommended to inform MARDE closer on the project implementation process and request support at an early stage in solving issues like permits that depends on other Ministries and their subordinated Institutions or Agencies.

Further efforts to promote changes to the existing legislative and normative acts that would oblige the households and private entities to connect to the water and sanitation system built and ensuring the application of existing legal and normative framework through which the artesian wells must be documented, preserved and passed on to the WSS operator' management is needed.

In communities where the LCC is inactive or less involved in oversight activities, it is recommended for LPAs to carry out additional work for engagement of citizens, including social-vulnerable groups. GIZ will support these activities through capacitating LPAs to support and encourage citizens involvement.

As results of the WSS operators' mission in Germany the possibility of having long-term international experts integrated in Moldovan entities was considered. In this respect AMAC and Apa-Canal Balti are interested to integrate an expert to support both organisations during a one-year intervention. The approval process to hire an expert starting from spring 2020 was initiated.

Annexes:

- 1. Modernisation of Local Public Services updated log-frame (07 October 2019)
- 2. Status on public services projects implementation
- 3. Technical design contract values
- 4. Indicative total investment opportunities
- 5. Proposed priority list for construction
- 6. List of organized trainings (piloted modules and reimplemmented courses) during January-December 2019.
- 7. Organisational Chart GIZ / Modernisation of Local Public Services

Annex 1: Modernisation of Local Public Services updated log-frame (07 October 2019)

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|---|--|----------------------------|
| Programme objective (is currently being formulated) | (to be transferred from part A of the programme) | (to be transferred from part A) | Not to be filled in |
| Project objective (Outcome) The framework conditions ²⁴ for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision are improved. | 1. 75 % of the beneficiaries (partner local public authorities, represented by the local councils) and 75% of involved stakeholders (members of the Regional Development Councils and Regional Development Agencies) are satisfied with the processes of planning and implementation of the infrastructure investment measures in priority sectors of local public service provision (water supply and sanitation (WSS), solid waste management (SWM), energy efficiency of public buildings (EE), regional and local roads (RLR)) <i>Baseline value: 0</i> <i>Target value: 75 % of the representatives of 52 benefitting LPAs and 75 % of the representatives of 8 involved stakeholder institutions express a level of 4 or more on a six-level scale with 1 = strongly dissatisfied and 6 = very satisfied.</i> | Representative survey by the project in 2021 among 52 Moldovan local councils (LCs), representing the partner LPAs that benefit from the infrastructure investment measures, as well as among the 4 Regional Development Councils (RDCs) and the 4 Regional Development Agencies (RDAs). | (related to the programme) |
| | 2. Regional Development Councils (RDCs) confirmed, in coordination with relevant sector ministries, the implementation of 18 in a participatory and gender sensitive way established infrastructure investment measures, which are in line with the regional sector programmes as well as the regional development strategies. <i>Baseline value: 0</i> | Analysis of minutes from RDC meetings as well as the annual progress reports prepared by RDAs on the implementation of regional sector programmes or the Regional Development Strategies. Gender analyses in the project documents of the respective investment measures. | |

²⁴ Framework conditions include legislative frameworks; policies and strategies (normative documents); capacities of institutions (powers and functions, equipment, finance), of persons, and of civil society organisations.

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--|---|---|
| | <p><i>Target value:</i> 18 infrastructure projects are confirmed by the RDCs to be ready for operation.</p> <p>3. The National Coordination Council for Regional Development (NCCRD) confirmed that financing of investment measures for improved service provision in the priority sectors, granted by national funds and the international donors, has increased by 465%.</p> <p><i>Baseline value:</i> EUR 28.3 million (including EUR 7.7 million via the National Fund for Regional Development and approximately EUR 20.6 million granted via international bilateral investments).</p> <p><i>Target value:</i> EUR 132.7 million (increase of baseline value by 465%)</p> | <p>Analysis of the financing of investment measures for regional development in the priority sectors, based on the annual reports of MARDE and RDAs.</p> <p>Minutes of the meetings of the NCCRD</p> | |
| Outputs | | | |
| <p>Output A</p> <p>MARDE puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors.</p> | <p>A.1: 2 National Strategies for Regional Development (NSRD), which were elaborated in a participatory way (1 for the phase 2016-2020, 1 for the phase 2021-2025), are confirmed by the NCCRD.</p> <p><i>Baseline value:</i> 0 (no strategy exists for this period)</p> <p><i>Target value:</i> 2 strategies.</p> | <p>Analysis of the process of elaboration of the new National Strategy for Regional Development.</p> <p>Official comments/ recommendations of line ministries and RDCs.</p> <p>Minutes of national consultations.</p> <p>Overview of acceptance or rejection of comments and suggestions made in consultations, prepared by MARDE.</p> <p>Minutes of NCCRD.</p> | <p>The Government of Moldova (GoM) remains firmly committed to its reform agenda and to enhanced political and economic relations with the EU.</p> <p>The GoM is promoting and supporting the decentralisation of responsibilities, the territorial administrative reform and the regional development of public services.</p> <p>The GoM allocates the necessary human, financial and technical resources to support the implementation of the NSRD and RDS.</p> <p>The GoM fully supports the implementation of the result-</p> |
| | <p>A.2: 3 (existing) legislative and normative documents regarding the regulation of regional development and involved institutions (e. g. the decrees on the National Fund for Regional Development, the Law on Regional Development, procedure manuals) were reviewed and if needed adjusted by the</p> | <p>Ministerial, governmental and parliamentary decisions for the adoption / modification of legal and normative documents</p> | |

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|---|--|--|
| | <p>responsible state bodies regarding their accordance with the requirements of the EU Association Agreement.</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> 3 reviewed and adjusted legislative and normative documents</p> | | <p>oriented policy approach to regional development, in accordance with the requirements of the EU.</p> <p>Institutional changes in the context of public administration and territorial administrative reforms lead to stronger ownership at the regional and local level.</p> <p>Members of RDCs exercise their mandates and actively participate in decision making processes.</p> |
| | <p>A.3: A results-based monitoring system for steering the RDSs is approved by national and regional development councils (NDC, RDC).</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> One RBM system.</p> | <p>Minutes of meetings of the NCCRD and RDCs, in which the RBM system was approved.</p> | <p>The GoM and line ministries consequently work towards the implementation of approved sector strategies.</p> <p>The approval for financing of regional development projects is based on identified needs of the regions as well as on agreed criteria – rather than on the ground of individual political interests.</p> <p>Investment activities are identified within a structured regional planning and programming process and meet the relevant quality criteria.</p> |
| <p>Output B:</p> <p>The capacities of RDCs and partner LPAs to plan, coordinate and implement are improved.</p> | <p>B.1: Regional sector commissions, consisting of representatives of various government levels, civil society and sector specialists, reported annually on the sector-specific implementation of RDSs in at least 2 sectors (WSS, SWM) to the respective responsible RDCs.</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> 8 reports (1 report per sector per development region)</p> | <p>Minutes of RDCs and sector commissions</p> <p>Number of recommendations given by RSC members, especially by representatives of the civil society, and number of recommendations considered by RSCs (according to minutes).</p> <p>Number of participants from civil society and participating sector specialists in each RSC.</p> | <p>The approval for financing of regional development projects is based on identified needs of the regions as well as on agreed criteria – rather than on the ground of individual political interests.</p> <p>Investment activities are identified within a structured regional planning and programming process and meet the relevant quality criteria.</p> |
| | <p>B.2: 3 project proposals exist for the newly established Gagauzia Development Region, based on the regional sector programmes (for WSS, EE and RLR) and corresponding project pipelines.</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> 3 project proposals</p> | <p>Minutes of the regional sector working groups Published RSPs (WSS, EE, RLR) Minutes from public consultations Decisions of the RDC Gagauzia regarding the project proposals</p> | <p>Investment activities are identified within a structured regional planning and programming process and meet the relevant quality criteria.</p> |
| | <p>B.3: Local Development Plans of 25 partner LPAs (I and II), elaborated in a participatory way, reflect the priorities of RDSs in at least 1 sector (WSS or EE).</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> 25 Local Development Plans</p> | <p>Minutes of the local sector working groups. Minutes from public consultations. Chapters of Local Development Plans or Socio-Economic Development Strategies, approved by the respective local councils.</p> | <p>National and international financing opportunities for public service projects are made available in time.</p> |

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--|--|--|
| <p>Output C:</p> <p>RDA's are capacitated to implement the public service projects developed within the regional sector programmes.</p> | <p>C.1: 18 public service projects in the field of water supply and sanitation and energy efficiency in public buildings are implemented in a transparent way by the RDA's North, Centre and South.</p> <p><i>Baseline value:</i> 0 projects implemented, 40 projects eligible for funding <i>Target value:</i> 18 projects with an investment volume of approx. EUR 35 million are implemented</p> | <p>Reports by the public procurement working groups. Documentation of the site inspection and construction supervision of the projects. Progress reports of RDA's to RDCs and MARDE. Quarterly project reports, approved by Local Steering Committees.</p> | <p>Construction projects are aligned with the relevant national and appropriate European standards and practices to ensure the sustainability of construction and refurbishment measures.</p> <p>Tenders in public procurement are carried out without major delays. Qualified companies are available for the implementation of the construction works; their bids meet the quality standards.</p> <p>The involved municipalities agree on the joint establishment of inter-municipal service companies.</p> <p>Training institutions have the necessary human and financial resources to provide training modules sustainably and demand-oriented.</p> |
| | <p>C.2. 7 pilot projects in the field of water supply and sanitation, energy efficiency in public buildings and solid waste management are fully implemented in a transparent way by the RDA's North, Centre and South by the year 2019.</p> <p><i>Baseline value:</i> 1 project fully implemented, 6 partially implemented. <i>Target value:</i> 7 projects with an investment volume of EUR 13.4 million implemented.</p> | <p>Reports by the public procurement working groups. Documentation of the site inspection and construction supervision of the projects. Progress reports of RDA's to RDCs and MARDE. Final project reports, approved by Local Steering Committees.</p> | |
| <p>Output D:</p> <p>Representatives of rayon's, municipalities and local service providers benefit from demand-oriented training modules of governmental and non-governmental organizations for the modernisation of local public services in the priority sectors.</p> | <p>D.1: Both governmental and non-governmental organizations include 15 training modules into their programmes, in accordance with the requirements of the respective competent institution on the modernisation of local public services in priority areas.</p> <p><i>Baseline value:</i> 2 training modules are implemented by the Academy of Public Administration and the Technical University. <i>Target value:</i> 15 training modules</p> | <p>Written consent of the competent institution to methodology and content of trainings. Annual reports of involved institutions and organizations.</p> | <p>Representatives of LPAs and service operators understand the importance of human resources development and actively make use of training opportunities.</p> <p>There is willingness on the part of civil society organizations to participate in policy dialogue.</p> <p>Civil society organizations and authorities at central and local level remain committed to</p> |
| | <p>D.2: 80% of participants consider the offered training courses as useful for their work.</p> <p><i>Baseline value:</i> 0 <i>Target value:</i> 80% of participants of 15 training modules.</p> | <p>Certificates of successful participation in training sessions. Analysis/evaluation of random surveys among the participants of the trainings.</p> | |

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--|--|---|
| | <p>D.3: 2 training institutions introduced a quality management system for the provision of the trainings.</p> <p><i>Baseline value: 0</i> <i>Target value: 2 institutions</i></p> | Adopted quality management system of the Academy of Public Administration and the Technical University. | sustainable, transparent and inclusive decision-making and project implementation. |
| Output E: Civil society participates in public projects. | <p>E.1: 5,000 citizens²⁵ implement projects to improve local public services in the water supply, sanitation, solid waste management and energy efficiency sectors or activities to promote environment and climate protection.</p> <p><i>Baseline value: 0</i> <i>Target value: 5,000 citizens</i></p> | Analysis of reports, submitted by the civil society organisations, about the projects and activities as well as the number of involved citizens. | |
| | <p>E.2: 18 Local Citizens' Committees are established and monitor the procurement, construction and implementation of 18 infrastructure projects for improving local public services.</p> <p><i>Baseline value: 0</i> <i>Target value: 18 Local Citizens' Committees monitor the procurement, construction and implementation of 18 projects</i></p> | Analysis of the LSC meeting minutes Analysis of reports, submitted by the involved civil society organisations | |
| <p>(Essential) Activities of the Project Activities rel. to Output A:</p> <p>Advising the evaluation of the current (2016-2020) and the elaboration of the new National Strategy for Regional Development (2021-2025).</p> <p>Advising the adjustment of laws and regulations regarding regional development, in accordance with the requirements of the EU</p> | Not to be filled in | Not to be filled in | <p>The Government of Moldova ensures a transparent, participatory and lawful process of developing, discussing, adapting and approving the strategies.</p> <p>The GoM allocates the necessary human, financial and technical resources to support the implementation of the NSRD and RDS.</p> |

²⁵ Citizens – is the term that encompasses men and women, people with special needs, socially vulnerable citizens and ethnic minorities (e.g. Roma people).

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--------------------|-------------------------|--|
| <p>Association Agreement, and evaluation of the respective governmental decisions.</p> <p>Supporting MARDE and RDAs in establishing a results-based monitoring system.</p> <p>Activities rel. to Output B:</p> <p>Advising the evaluation of the current (2016-2020) and the elaboration of the RDS of the four development regions (North, Centre, South, Gagauzia) for the period 2021-2025.</p> <p>Advising the RDCs to coordinate the implementation of RDSs through working regional sector commissions in at least 2 sectors (WSS and SWM).</p> <p>Advising the new Gagauzia development region in elaborating project proposals for improving municipal services, based on a strategic regional planning in relevant sectors.</p> <p>Advising the LPAs (I and II) to set up or update local development plans with participation of the civil society.</p> <p>Activities rel. to Output C:</p> <p>Support RDAs in the development of procurement documents, execution of procurement</p> | | | <p>The GoM fully supports the implementation of the result-oriented policy approach to regional development, in accordance with the requirements of the EU</p> <p>Institutional changes in the context of public administration and territorial administrative reforms lead to stronger ownership at the regional and local level.</p> <p>Members of RDCs exercise their mandates and actively participate in decision making processes.</p> <p>The GoM and line ministries consequently work towards the implementation of approved sector strategies.</p> <p>The approval for financing of regional development projects is based on identified needs in the regions as well as on agreed criteria – rather than on the ground of individual political interests.</p> <p>Investment activities are identified within a structured regional planning and programming process and meet the relevant quality criteria.</p> <p>Construction projects are aligned with the relevant national and appropriate European standards</p> |

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--------------------|-------------------------|---|
| <p>procedures and monitoring of the planning and construction progress of the implementation of public services projects, which were developed in line with regional sector programmes and in a transparent and participatory way.</p> <p>Advising and capacitating employees of LPAs and service operators involved in the implementation of the investment projects to set up cost covering and inclusive tariff systems for the services to be delivered.</p> <p>Activities rel. to Output D:</p> <p>Advising governmental and non-governmental organizations in the development and piloting of demand-oriented training modules, based on relevant experiences with the modernisation of local public services.</p> <p>Development of adequate modalities for surveys and criteria of assessment for analysing the relevance of different offered training modules.</p> <p>Advising training institutions to introduce a quality management system.</p> <p>Activities rel.to Output E:</p> | | | <p>and practices to ensure the sustainability of construction and refurbishment measures.</p> <p>Tenders in public procurement are carried out without major delays. Qualified companies are available for the implementation of the construction works; their bids meet the quality standards.</p> <p>The involved municipalities agree on the joint establishment of inter-municipal service companies.</p> <p>Training institutions have the necessary human and financial resources to provide training modules sustainably and demand-oriented.</p> <p>Representatives of LPAs and service operators understand the importance of human resources development and actively make use of training opportunities.</p> <p>Local authorities are open for cooperation and involve citizens in all processes related to local planning and public service delivery.</p> <p>Citizens are willing to mobilize and cooperate with authorities to raise awareness on sustainable service delivery.</p> <p>Local CSOs are actively participating in exchange of</p> |

| Summary | Success indicators | Sources of verification | Main assumptions/risks |
|---|--------------------|-------------------------|--|
| <p>Training civil society organisations (CSOs) to monitor and evaluate the planning and implementation of local development plans and regional and national strategies. Advising the citizens' committees in monitoring the procurement and construction processes to provide local public services.</p> <p>Organizing networking events and exchange of experience for CSOs, within and between development regions, on citizens' monitoring of procurement processes, infrastructure projects and public service delivery.</p> <p>Award grants to CSOs to implement local and regional projects for sustainable development in the solid waste management, water supply, sanitation and energy efficiency sectors.</p> <p>Design and conduct awareness raising campaigns on issues regarding sustainable development in the WSS, SWM and EE sectors, as well as their impact on climate change.</p> | | | <p>experience and contribute with constructive feedback to decision-makers.</p> <p>National networks of CSOs are willing to support the creation of regional CSO networks through capacity development activities.</p> |

Annex 2: Status on public services projects implementation

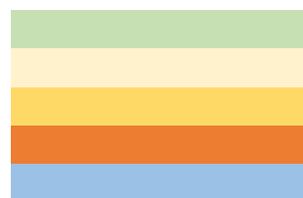
Overall progress on implementation of Public Service Projects, by pillars of intervention

Progress by: December 2019

| 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 DR / European Union funds | | | | | |
| WSS Riscani | completed | minor deviation | major deviation | off track | major deviation |
| WSS Drochia | completed | on track | major deviation | on track | on track |
| WSS Edinet | completed | n/a | major deviation | on track | on track |
| WSS Falesti | completed | n/a | major deviation | on track | on track |
| EE Balti | completed | n/a | major deviation | on track | on track |
| EE Flaminzeni | completed | n/a | on track | on track | on track |
| Centre DR / European Union funds | | | | | |
| WSS Calarasi | completed | n/a | major deviation | on track | on track |
| WSS Ungheni | completed | on track | on track | on track | minor deviation |
| EE Soldanesti | completed | n/a | major deviation | on track | on track |
| EE Holercani | completed | n/a | on track | on track | on track |
| EE Ungheni | completed | n/a | minor deviation | on track | on track |
| EE Straseni | completed | n/a | on track | on track | on track |
| South DR / European Union funds | | | | | |
| WSS Cahul | completed | minor deviation | major deviation | minor deviation | major deviation |
| WSS Leova | completed | major deviation | minor deviation | on track | minor deviation |

| 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> |
| EE Basarabasca | completed | n/a | major deviation | on track | on track |
| EE Leova | on track | n/a | on track | on track | major deviation |
| Pilot projects / German Regional Fund for Development, Romania, SDC | | | | | |
| WSS Cahul | completed | completed | completed | completed | completed |
| WSS Leova | completed | completed | completed | 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

Annex 3: Technical design contract values²⁶

a) Technical design contract values for WSS projects financed by EU

| # | Town/ Rayon | Project name | EU contribution | Contribution of LPA's | Total contract value |
|--------------------------------|--------------------------------|--|------------------|-----------------------|----------------------|
| 1. | Edinet | 1. Edinet town, improving water supply services | € 189,117 | € 9,231 | € 198,348 |
| 2. | Falesti | 2. Falesti town, improving water supply services | € 55,054 | € 0 | € 55,054 |
| 3. | Drochia | 3. Drochia town, improving water supply services incl. new drinking water purification and rehabilitation of wells | € 147,401 | € 0 | € 147,401 |
| 4. | Riscani cluster (North Region) | 4. Riscani rayon, water intake, purification plant and inter-municipal water main | € 474,359 | € 25,641 | € 500,000 |
| | | 5. Riscani rayon, improving water supply in Pascauti and Damascani villages, Costesti commune | | | |
| | | 6. Riscani rayon, improving sewerage services in Galaseni commune (including Malaiesti village) | | | |
| | | 7. Riscani rayon, improving sewerage services in Hiliuti village | | | |
| Sub-total North Region | | | € 865,931 | € 34,872 | € 900,803 |
| 5.. | Ungheni | 8. Ungheni town, improving water supply and wastewater services | € 144,652 | € 0 | € 144,652 |
| 6. | Ustia /Dubasari | 9. Dubasari rayon, Ustia locality, improving sewerage services | € 101,502 | € 0 | € 101,502 |
| 7. | Calarasi | 10. Calarasi town, improving water supply and wastewater services | € 106,615 | € 0 | € 106,615 |
| Sub-total Centre Region | | | € 352,769 | € 0 | € 352,769 |
| 8. | Cahul cluster (South Region) | 11. Cahul rayon & ATU Gagauzia, water main Lebedenco-Vulcanesti-Alexandru Ioan Cuza | € 358,544 | € 9,090 | € 367,634 |

²⁶ The contract values in Euro are approximate, because all contracts with design companies were concluded in Moldovan Lei. Depending on the exchange rates the values may vary.

| # | Town/ Rayon | Project name | EU contribution | Contribution of LPA's | Total contract value |
|-----|--|--|--------------------|-----------------------|----------------------|
| | N.B. construction of water main (No 11) is pre-condition for measures 12,13 & 14 | 12. Cahul rayon, improving water supply services in the commune of Pelinei, including Satuc village | | | |
| | | 13. Cahul rayon, improving water supply services in the commune of Gavanoasa (Vladimirovca and Nicolaevca) | | | |
| | | 14. ATU Gagauzia, water main extension from Vulcanesti to Vulcanesti free economic zone | | | |
| 9. | Leova town | 15. Leova town, extension of sewerage network | € 93,285 | € 5,126 | € 98,411 |
| 10. | Leova villages | 16. Leova rayon, Iargara town, improving water supply services | € 347,155 | € 13,734 | € 360,889 |
| | | 17. Leova rayon, Filipeni village, improving water supply services | | | |
| | | 18. Leova rayon, Romanovca village, improving water supply services | | | |
| | | 19. Leova rayon, Cupcui village & connection to Sarata Noua village, improving water supply services | | | |
| | | Sub-total South Region | € 798,984 | €27,950 | € 826,934 |
| | | Total 10 WSS projects | € 2,017,684 | € 62,822 | € 2,080,506 |

b) Technical design contract values for EE projects financed by EU

| # | Town | Project Name | EU contribution | Contribution of LPA's | Total contract value |
|--------------------------------|---------------------|--|------------------|-----------------------|----------------------|
| 1. | Ungheni | Increasing energy efficiency of 'Mihai Eminescu' Lyceum from Ungheni town | € 69,708 | € 0 | € 69,708 |
| 2. | Soldanesti | Increasing energy efficiency of 'Alexei Mateevici' Lyceum from Soldanesti town | € 55,356 | € 0 | € 55,356 |
| 3. | Dubasari, Holercani | Increasing energy efficiency of 'Holercani' Lyceum from Holercani village, Dubasari rayon | € 25,628 | € 0 | € 25,628 |
| 4. | Straseni | Increasing energy efficiency of 'Ion Vatamanu' Lyceum from Straseni town | € 30,446 | € 0 | € 30,446 |
| Sub-total Centre Region | | | € 181,138 | € 0 | € 181,138 |
| 5. | Sangerei | Increasing energy efficiency of 'Iurie Boghiu' Gymnasium from Flaminzeni village, Singerei rayon | € 27,323 | € 738 | € 28,061 |
| 6. | Balti | Increasing energy efficiency of 'Dimitrie Cantemir' Lyceum from Balti municipality | € 23,539 | € 0 | € 23,539 |
| Sub-total North Region | | | € 50,862 | € 738 | € 51,600 |
| 7. | Leova | Increasing energy efficiency of 'Constantin Spataru' Lyceum from Leova town | € 68,426 | € 0 | € 68,426 |
| 8. | Basarabasca | Increasing energy efficiency of 'Matei Basarab' Lyceum from Basarabasca town | € 25,679 | € 0 | € 25,679 |
| Sub-total South Region | | | € 94,105 | € 0 | € 94,105 |
| Total 8 EE projects | | | € 326,105 | € 738 | € 326,843 |

Annex 4: Indicative total investment opportunities

The table shows the estimated investment volumes (as of 15.01.2020) after finalisation of technical design. The secured EU contribution amounts to 32.4 MEUR for all projects.

| WSS Projects | Overall investment opportunities (EUR) ²⁷ | Local contribution (EUR) ²⁸ |
|---|--|--|
| Total | 52,327,000 | 2,977,000 |
| RDA North | 25,573,000 | 1,801,000 |
| Water supply Drochia | 4,457,000 | 287,000 |
| Water supply Edinet | 3,935,000 | 885,000 |
| Water supply Falesti | 2,000,000 | 428,000 |
| WSS Riscani | 15,181,000 | 201,000 |
| RDA Centre | 10,487,000 | 397,000 |
| WSS Calarasi | 2,016,000 | 129,000 |
| WSS Ungheni | 3,655,000 | 103,000 |
| Sewerage Ustia | 4,816,000 | 165,000 |
| RDA South | 16,267,000 | 779,000 |
| Water supply Cahul (Lebedenco-Vulcanesti) | 9,145,000 | 137,000 |
| Sewerage Leova town | 2,418,000 | 151,000 |
| Water supply Leova villages | 4,704,000 | 491,000 |

| EE Projects | Total estimated investment costs (EUR) ²⁹ | Local contribution (EUR) ³⁰ |
|--------------------------|--|--|
| Total | 12,699,000 | 473,000 |
| RDA North | 1,973,000 | 18,000 |
| EE Balti | 973,000 | 7,000 |
| EE Flaminzeni (Singerei) | 1,000,000 | 11,000 |
| RDA Centre | 6,983,000 | 262,000 |
| EE Holercani | 1,061,000 | 30,000 |
| EE Soldanesti | 1,931,000 | 67,000 |
| EE Straseni | 1,356,000 | 102,000 |
| EE Ungheni | 2,635,000 | 63,000 |
| RDA South | 3,743,000 | 193,000 |
| EE Basarabasca | 949,000 | 38,000 |
| EE Leova | 2,794,000 | 155,000 |

²⁷ Final values will be established by completed BoQs, respectively following the contracting of works

²⁸ Agreed local contribution guaranteed by LPA

²⁹ Final values will be established by completed BoQs

³⁰ Local contributions for non-EE measures are currently under LPA's consideration

List of 8 EE projects³¹ – considered as 1st priority and proposed for full implementation

| EE projects / Technical design & construction ³² | Number of people | | Total m ² floor space | Local contribution (EUR) | Total estimated investment costs ³³ (EUR) |
|--|-----------------------------------|---------------|----------------------------------|--------------------------|--|
| | Beneficiaries (pupils & teachers) | Max. capacity | | | |
| North Region | | | | | |
| 1. Increasing energy efficiency 'Iurie Boghiu' Gymnasium, Flaminzeni, Singerei rayon | 328 | 624 | 4,647 | 11,000 | 1,000,000 |
| 2. Increasing energy efficiency 'Dimitrie Cantemir' Lyceum from Balti municipality | 955 ³⁴ | 690 | 3,287 | 7,000 | 973,000 |
| Centre Region | | | | | |
| 3. Increasing energy efficiency of 'Mihai Eminescu' Lyceum from Ungheni town | 1,288 | 1,400 | 10,402 | 63,000 | 2,635,000 |
| 4. Increasing energy efficiency of 'Alexei Mateevici' Lyceum from Soldanesti town | 630 | 860 | 7,897 | 67,000 | 1,931,000 |
| 5. Increasing energy efficiency of 'Holercani' Lyceum from Holercani village, Dubasari rayon | 330 | 640 | 4,840 | 30,000 | 1,061,000 |
| 6. Increasing energy efficiency of 'Ion Vatamanu' Lyceum from Straseni town | 645 | 640 | 3,721 | 102,000 | 1,356,000 |
| South Region | | | | | |
| 7. Increasing energy efficiency of 'Constantin Spataru' Lyceum from Leova town | 606 | 840 | 7,059 | 155,000 | 2,794,000 |
| 8. Increasing energy efficiency of 'Matei Basarab' Lyceum from Basarabasca town | 264 | 380 | 2,159 | 38,000 | 949,000 |
| Total EE | 5046 | 6074 | 44,012 | 473,000 | 12,699,000 |

³¹ Please note that figures of total investment cost have been slightly changed since the formal dissemination of this paper.

³² As the overall implementation of the EE projects remain close to earlier cost estimations, none of these is currently pre-selected as a reserve project of 2nd priority.

³³ Proposed for local co-financing are especially non-EE refurbishment measures of canteens, canteen furniture and equipment, non-EE kitchen equipment and such.

³⁴ Balti Lyceum is working in 2 shifts; therefore, the number of beneficiaries exceeds the real capacity.

List of 19 WSS projects – proposed for further implementation (1st & 2nd priority)

| | WSS Construction Projects | Number of people (direct beneficiaries) | local commitment (EUR) | Total estimated investment costs (EUR) |
|---|--|---|------------------------|--|
| List of 1st priority projects | | | | |
| North Region | | | | |
| Edinets town | 1. Edinets town, improving water supply services | 11,856 | 885,000 | 3,935,000 |
| Falesti town | 2. Falesti town, Improving water supply services | 14,967 | 428,000 | 2,000,000 |
| Drochia town ³⁵ | 3. Drochia town, improving water supply services incl. new drinking water purification and rehabilitation of wells | 12,240 | 287,000 | 4,457,000 |
| Centre Region | | | | |
| Ungheni town | 4. Ungheni town, improving water supply and wastewater services | 30,269 | 103,000 | 3,655,000 |
| Calarasi town | 5. Calarasi town, improving water supply and wastewater services | 16,500 | 129,000 | 2,016,000 |
| South Region | | | | |
| Leova town | 6. Leova town, extension of sewerage network | 1,570 | 151,000 | 2,418,000 |
| Leova villages | 7. Leova rayon, Iargara town, improving water supply services | 3,957 | 363,000 | 2,193,000 |
| | 8. Leova rayon, Filipeni village, improving water supply services | 3,024 | 76,000 | 1,292,000 |
| | 9. Leova rayon, Romanovca village, improving water supply services | 477 | 15,000 | 279,000 |
| | 10. Leova rayon, Cupcui village & connection to Sarata Noua village, improving water supply services | 3,106 | 37,000 | 939,000 |
| In total | | 97,966 | 2,474,000 | 23,184,000 |

| | |
|--|----------------|
| Additional local / national co-financing requirements for implementation of 1st priority projects | 536,000 |
|--|----------------|

³⁵ Note: Only in case of successful final negotiations with all partners and beneficiaries regarding increased local co-funding, the water supply project in Drochia can remain in the list of 1st priority projects.

| | WSS construction projects | Number of people (direct beneficiaries) | Source of funding: | | Total estimated investment costs (EUR) |
|---|--|---|----------------------------|------------------------|--|
| | | | EU indicative Budget (EUR) | local commitment (EUR) | |
| 2nd Priority project list (reserve list) | | | | | |
| 1. Ustia locality (Centre Region) | 11. Dubasari rayon, Ustia locality, improving sewerage services | 3,011 | - | 165,000 | 4,816,000 |
| 2. Cahul cluster (South Region) N.B. construction of water main (No 12) is pre-condition for measures 13,14 & 15 | 12. Cahul rayon & ATU Gagauzia, water main Lebedenco-Vulcanesti-Alexandru Ioan Cuza, | 14,632 | - | 137,000 | 5,874,000 |
| | 13. Cahul rayon, improving water supply services in the commune of Pelinei, including Satuc village | 2,183 | | | 1,207,000 |
| | 14. Cahul rayon, improving water supply services in the commune of Gavanoasa (Vladimirovca and Nicolaevca) | 2,111 | | | 1,557,000 |
| | 15. ATU Gagauzia, water main extension from Vulcanesti to Vulcanesti free economic zone | 1,333 | | | 507,000 |
| 3. Riscani cluster (North Region) | 16. Riscani rayon, water intake, purification plant and inter-municipal water main | 9,588 | - | 201,000 | 4,986,000 |
| | 17. Riscani rayon, improving water supply in Pascauti and Damascani villages, Costesti commune | 6,812 | | | 989,000 |
| | 18. Riscani rayon, improving sewerage services in Galaseni commune (including Malaiesti village) | 1,791 | | | 4,705,000 |
| | 19. Riscani rayon, improving sewerage services in Hiliuti village | 2,400 | | | 4,501,000 |
| In total | | 43,861 | - | 503,000 | 29,142,000 |

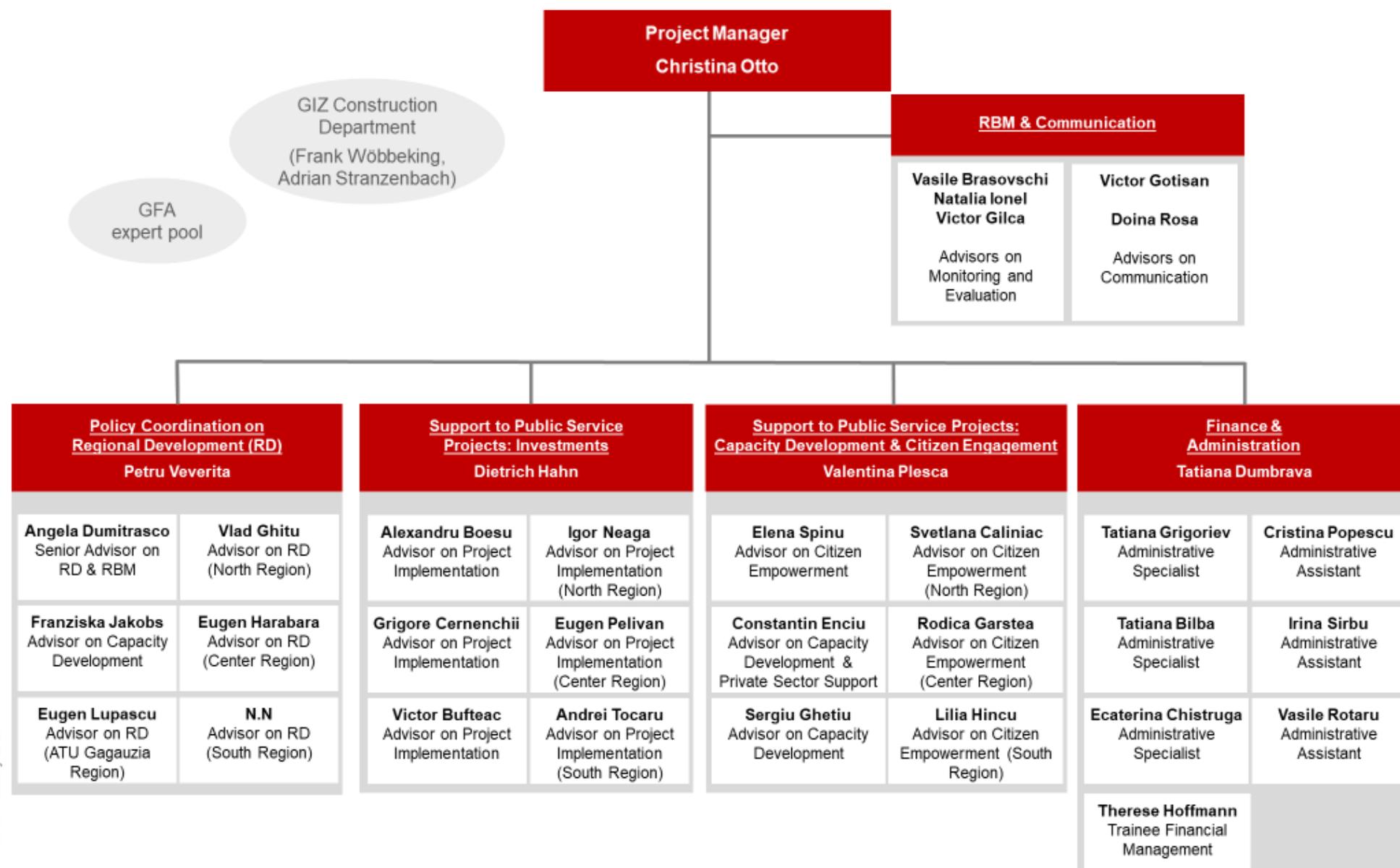
Explanatory notes for the projects of the 2nd priority list:

- Ustia locality: low number of connection points, investment cost per beneficiary are relatively high;
- Cahul cluster: high total cost. Although the designed infrastructure measures are individually implementable, the individual projects require a timely concerted action as the water main doesn't connect people and village networks are non-functional without the water main.
- Riscani cluster: high total cost, potentially exceeding timeline and additional technical assistance costs to strengthen the capacities of a to-be-determined operator.

Annex 6: List of organized trainings during January-December 2019

| Training Module | Date | Participants | | |
|--|---|--------------|--------|------|
| | | Total | Female | Male |
| Academy of Public Administration | | | | |
| Public Property Management | 04.03. - 05.03.2019 | 21 | 20 | 1 |
| Public Property Management | 05.03. - 06.03.2019 | 27 | 19 | 8 |
| Management and project development | 11.03. - 15.03.2019 | 27 | 19 | 8 |
| Public Procurement and Conflicts of interest | 18.03. - 22.03.2019 | 20 | 12 | 8 |
| Management and project development | 25.03. - 29.03.2019 | 23 | 18 | 5 |
| Public Procurement and Conflicts of interest | 08.04. - 12.04.2019 | 20 | 14 | 6 |
| Public Property Management for accountants | 17.04. - 18.04.2019 | 25 | 25 | 0 |
| Public Property Management for cadastral engineers | 18.04. - 19.04.2019 | 23 | 10 | 13 |
| TUM Centre for Continuous Education in Energy Efficiency in Public Buildings | | | | |
| Efficient management in public buildings | 15.01.2019 | 10 | 5 | 5 |
| Management of energy efficiency of public buildings projects | 21-24.01.19 | 12 | 5 | 7 |
| Efficient management of public buildings | 30.01.2019 | 14 | 12 | 2 |
| Management of energy efficiency in public buildings projects | 20-23.05.19 | 16 | 6 | 10 |
| Management of energy efficiency in public buildings projects | 10-13.06.19 | 15 | 10 | 5 |
| TUM's Institute of Continuous Education in the WSS Sector | | | | |
| Accounting and Taxation updates in WSS sector | 29-30.01.2019 | 24 | 22 | 2 |
| Accounting and Taxation updates in WSS sector | 12-14.02.2019 | 33 | 31 | 2 |
| Accounting and Taxation updates in WSS sector | 19-21.02.2019 | 25 | 23 | 2 |
| Management and exploitation of WSS networks | 2-4.04.2019 | 24 | 22 | 2 |
| Management and exploitation of WSS networks | 9-11.04.2019 | 25 | 1 | 24 |
| Energy Management and process automatization in WSS operations | 28-30.05.2019 | 23 | 2 | 21 |
| Energy Management and process automatization in WSS operations | 11-13.06.2019 | 23 | 1 | 22 |
| Management of Wastewater Treatment Plants | 2-4.07.2019 | 22 | 6 | 16 |
| Management of Wastewater Treatment Plants | 9-11.07.2019 | 18 | 4 | 14 |
| Chamber of Commerce and Industry from the Republic of Moldova | | | | |
| Course EUREM (European Energy Manager) | 23.03-25.05.19 theory, 09-10.07.19 practical work | 14 | 2 | 12 |

Annex 7: Organisational Chart GIZ / Modernisation of Local Public Services



Status: January 2020