



Progress Report No. 15
on the implementation of the
'Modernisation of Local Public Services
in the Republic of Moldova' project

Reporting period

1 January – 31 December 2022

submitted by GIZ

February 2023

Chisinau, Republic of Moldova

MLPS project co-financed by:



In cooperation with

**MINISTERUL INFRASTRUCTURII
ȘI DEZVOLTĂRII REGIONALE**

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Acronyms and abbreviations

AMAC	Moldovan Water Utilities 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
COVID-19	SARS-CoV-2 (2019-nCoV) coronavirus
CSO	Civil Society Organisation
DR	Development Region
EE	Energy Efficiency
EEA	Energy Efficiency Agency
EPIU	Environmental Projects Implementation Unit
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
LCC	Local Citizens Committee
LPA	Local Public Administration
MARDE	(former) Ministry of Agriculture, Regional Development and Environment
MDL	Moldovan Leu
ME	Ministry of Environment
MIRD	Ministry of Infrastructure and Regional Development
MLPS	Modernisation of Local Public Services in the Republic of Moldova
NCCRD	National Coordination Council for Regional Development
NFRD	National Fund for Regional Development
NSRD	National Strategy for Regional Development
PSP	Public Service Project
RBM	Results-based monitoring
RDA	Regional Development Agency
RDC	Regional Development Council
RDS	Regional Development Strategy
RSP	Regional Sector Programme
PSP	Public Service Project
PV	Photovoltaic panel
SWM	Solid Waste Management
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 – June 2023
Reported period	1 st of January – 31 st of December 2022
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>Ministry of Infrastructure and Regional Development (MIRD)¹ 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>RDAs are capacitated to implement the public service projects developed within the regional sector programmes;</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, stakeholders and target groups	<p>The target group of the development measure is the population in selected LPAs from the four Development Regions North, Centre, South and ATU Gagauzia.</p> <p>Key partners of the project: MIRD, ME, RDCs, RDAs and LPAs from the aforementioned regions, CSOs, APA, TUM, AMAC, EEA and CCI.</p>
Key achievements for reported period	<ul style="list-style-type: none"> • Inventory of the projects under the National Programme on Growth Poles and development of the related concept notes for six municipalities identified as growth poles; • Programme for accelerating the development of the municipality of Balti as a development pole drafted; • The Regulations for specific waste streams management were developed according to best practice; Regulations for management of used tires and oils approved; • Virtual study tour on good practices related to circular economy organised; • Support package in planning and coordinating actions in case of crisis and emergency situations (including relating to Ukraine refugees) provided to and implemented by North, Centre and ATU Gagauzia RDAs; • Assistance package to North and South DRs in support to refugees and host communities provided via CSOs; • Construction works at the water supply and sanitation projects in Ungheni, Calarasi, Edinet were finalised; • Construction works at the energy efficiency projects in Flamanzeni, Holercani, Straseni, Ungheni were finalised; • A training / workshop for the RDAs staff on the procedure and documents necessary for the completion of infrastructure projects was organised. A set of measures were agreed and an aide-memoire was sent to RDA's and MIRD;

¹ Following the approval of the new Government in August 2021, a new Government structure was approved. In accordance with this, the main partner of the project, former Ministry of Agriculture, Regional Development and Environment (MARDE) was split into three-line ministries. The current political partner of the project is the Ministry of Infrastructure and Regional Development (MIRD). For the purpose of this report, the MIRD abbreviation is used.

	<ul style="list-style-type: none"> Support for improving the operational capacities of the water operator in Comrat was granted. 																														
Key challenges/ risks for reported period	<p>Key challenges in implementation of EU funded infrastructure projects:</p> <ul style="list-style-type: none"> - One of the challenges to the implementation of the projects constituted the collection of the contributions from the local authorities from the South Development Region. The non-fulfilment of the co-funding obligations by these authorities constituted one of the obstacles for the completion of the final handover procedures and could also constitute a negative precedent for other development assistance projects; - The war in Ukraine and the inclusion of Russian Federation and Belarus as a supplier country of the materials under sanctions; - The increased prices for construction materials and equipment and the needs for acceptance of additional work volumes during the implementation of construction works for EU infrastructure projects; - In some cases, the technical supervisors appointed by the contracting authorities (RDAs) do not properly fulfil their job duties, which generates lack of coordination and quality problems in the execution of the works, but also the admission of procurement of equipment that does not meet the requirements and delays in implementation; - Low capacities of involved companies to implement construction works made an impact on implementation of construction works and led partly to extended construction timelines for the infrastructure projects funded by EU in Moldova. 																														
Project budget, including co-financing	<p>The project budget amounts to 66,9 million Euro:</p> <table border="1" data-bbox="440 1093 1474 1619"> <thead> <tr> <th>Donor</th> <th>Amount, EUR</th> <th>Implementation timeframe</th> </tr> </thead> <tbody> <tr> <td>Government of Germany</td> <td>10,951,890</td> <td>Mar 2016 – Jun 2023</td> </tr> <tr> <td>Government of Sweden</td> <td>3,530,778</td> <td>Nov 2016 – Dec 2018</td> </tr> <tr> <td>Swiss Agency for Development and Cooperation</td> <td>3,899,050</td> <td>Mar 2016 – Dec 2019</td> </tr> <tr> <td>Government of Romania</td> <td>179,637</td> <td>Mar 2016 – Jun 2018</td> </tr> <tr> <td colspan="3">EU-funded Actions, implemented in synergy with MLPS:</td> </tr> <tr> <td>European Union</td> <td>171,199</td> <td>Mar 2016 – Sep 2017</td> </tr> <tr> <td>European Union, design stage</td> <td>3,500,000</td> <td>Sep 2017 – Dec 2019</td> </tr> <tr> <td>Construction of WSS and EE infrastructure</td> <td>39,800,000</td> <td>Dec 2017 – Jun 2023</td> </tr> <tr> <td>Citizens' Empowerment</td> <td>4,900,000</td> <td>Jan 2019 – Dec 2021</td> </tr> </tbody> </table>	Donor	Amount, EUR	Implementation timeframe	Government of Germany	10,951,890	Mar 2016 – Jun 2023	Government of Sweden	3,530,778	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	EU-funded Actions, implemented in synergy with MLPS:			European Union	171,199	Mar 2016 – Sep 2017	European Union, design stage	3,500,000	Sep 2017 – Dec 2019	Construction of WSS and EE infrastructure	39,800,000	Dec 2017 – Jun 2023	Citizens' Empowerment	4,900,000	Jan 2019 – Dec 2021
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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. It had as deadline for project implementation end of September 2022 but, considering the latest challenges and the impact on the implementation, the project was extended for 9 months until end of June 2023.

The project's objective is the improvement of the framework conditions for a citizen-oriented implementation of regional development policy in priority sectors of local public service provision. The project provides support in three priority sectors: water supply and sanitation (WSS), energy efficiency in public buildings (EE) and solid waste management (SWM). The MLPS project is implemented in synergy with two EU-funded Actions: Construction of WSS and EE infrastructure and Citizen's Empowerment (completed in 2021).

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 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 is structured around five specific objectives:

- A. MIRD puts in place a coherent framework for the effective implementation of national regional development policy in priority sectors;
- B. The capacities of RDCs and partner LPAs to plan, coordinate and implement are improved;
- C. RDAs are capacitated to implement the public service projects developed within the regional sector programmes;
- 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.

The project's objective indicators 1 and 3 as well as specific objectives B, D and E were fully achieved by the end of 2021, respectively all related activities were finalised.

During the reporting period the basic emphasis was placed on further support in the promotion and implementation of the regional development policy and implementation of public service projects (PSPs). In this regard, joint efforts were made together with GIZ partners and

beneficiaries to implement the priority measures according to the project's operational plan², approved in February 2022.

2.2. Synergies with other projects and donors

The project 'Modernisation of Local Public Services in the Republic of Moldova' is providing technical assistance in the area of Regional Development in the country and is collaborating with the newly established GIZ project '*Strong Businesses and Communities for Moldova*' which is also a part of the EU programme '*EU4Moldova: Local Communities*', - a Team Europe initiative and jointly implemented by GIZ, ADA and Polish Solidarity Fund, as well with other projects and donors in the area to deliver the results.

At this stage, the project is implemented in synergy with the EU-funded Action '*Construction of Water Supply and Sanitation infrastructure and Energy Efficiency in Public buildings*', which contributes directly to the MLPS specific objective C.

3. Progress towards the project objectives

3.1. Progress towards the project outcome

The project's 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 Project Objective indicator 1, namely that 75 % of the beneficiaries (partner LPAs, represented by the local councils) and 75% of involved stakeholders (members of the RDCs and RDAs) are satisfied with the processes of planning and implementation of the infrastructure investment measures in priority sectors of local public service provision was achieved in 2021.

The achievement of indicator 2 of the project objective stating that the RDCs confirmed, in coordination with relevant sector ministries, the implementation of 18 infrastructure projects in a participatory and gender sensitive way established infrastructure investment measures, which are in line with the RSPs as well as the RDSs, has a minor deviation. The implementation of the infrastructure measures is ongoing, with 16 projects having the construction works completed. Still, the overall achievement of the indicator, through RDC confirmation, is subject to the finalisation of procedures relating to the transfer of assets to the beneficiary LPAs. At the same time, several projects (WS Drochia, EE Basarabeasca and EE Leova) are in the process of removal of the objections appeared during exploitation period or design errors, receipt of the final endorsement from GIZ Construction Department and organisation of preliminary handover, while other two (EE Balti and EE Soldanesti) are retendering the works.

As for indicator 3, regarding the NCCRD confirmed financing of investment measures for improved service provision in the priority sectors, granted by national funds and the international donors, has increased by 465%, the respective indicator has been achieved in 2020.

² https://www.serviciilocale.md/wp-content/uploads/2022/07/2021_03_03_MLPS_Operational_Plan_2022_VG_EN_FINAL.pdf
https://www.serviciilocale.md/wp-content/uploads/2022/07/2021_03_03_MLPS_Operational_Plan_2022_VG_EN_FINAL.pdf

3.2. Achievements of the project specific objectives

During the second phase of the implementation period of the project, GIZ together with its partners achieved the following results and progress towards its five specific objectives. An overall information on the current status of indicators is available in Annex 1.

3.2.1. Specific objective A

Specific objective A envisages for MIRD to put in place a coherent framework for the effective implementation of the national regional development policy in the priority sectors. In achieving this objective, further efforts were put by the project and included primarily:

Indicator A.1 refers to the participatory preparation of two national regional development strategies (NSRDs) and their endorsement by the NCCRD. This indicator was achieved in 2021.

Indicator A.2 measures the harmonisation of legal and regulatory elements of the regional development architecture with the EU AA:

- 3 regulations in the field of specific waste stream management (on end-of-life vehicles, used tires and used oils) were drafted, publicly consulted and prepared for approval by the Government. Supporting guidelines for implementation of the regulations were also drafted.
- The Regulation for management of used tires was approved on 1 Sept 2022 (Gov decision HG610/2022);
- The Regulation for management of used oils was approved on 26 Oct 2022 (Gov decision HG731/2022);
- The Draft Law on sanitation services was developed by EPIU and is pending public consultations and approval by the Parliament.

RDAs North, Centre and ATU Gagauzia implemented projects to increase the capacity of institutions in the regions to plan, adapt to reality and coordinate actions in case of crisis and emergency situations, including in support to current refugee crisis as result of the war in Ukraine.

Indicator A.3 includes an impact monitoring system adopted by the national and regional development councils to guide the implementation of regional development strategies. This indicator was achieved in 2021.

3.2.2. Specific objective B

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

Indicator B.1 measures the annual reporting of the Regional Sector Commissions to the Regional Development Councils (RDCs) on the sector-specific implementation of the regional development strategies in at least two sectors (WSS and SWM). This indicator was achieved in 2021.

Indicator B.2 focuses on the development of three project proposals based on the regional sector programmes for the WSS, EE and local/regional roads (RLR) sectors for the ATU Gagauzia development region. This indicator was achieved in 2021.

Indicator B.3 measures the number of local, participatory development plans prepared by 25 partner municipalities and counties that reflect the priorities of the regional development strategies in at least one sector (WSS or EE). The indicator has been achieved in 2019.

3.2.3. Specific objective C

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

Indicator C.1 measures the transparent implementation of 18 public infrastructure measures in WSS and EE in the North, Central and South RDAs. As of reporting date:

- 16 WSS and EE projects (S Leova, WS Leova rayon cluster, WS Drochia, WS Falesti, EE Flamanzeni, EE Ungheni, EE Holercani, EE Straseni, WSS Ungheni, WS Edinet, WSS Calarasi) have the construction works completed. Out of this number, the endorsement from GIZ Construction Department was obtained for 14 projects for which preliminary handover was organized.

An overall information on the status of PSP implementation is available in Annex 2.

Indicator C.2 refers to the transparent implementation of seven pilot projects in the areas of WSS, EE and SWM in the North, Central and South RDAs with a combined investment volume of approximately €13.4 million from Switzerland, Romania and Germany. This indicator has been achieved in 2019.

3.2.4. Specific objective D

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

Indicator D.1 shows that governmental and non-governmental training organisations include 21 training modules on the modernisation of municipal services in their programmes according to the requirements of the respective competent institution. This indicator was achieved in 2021.

Indicator D.2 refers to the participants' evaluation of the training modules offered. The aim is for at least 80% of participants to rate the training modules as useful in their work context. This indicator was achieved in 2021.

Indicator D.3 measures the implementation of a quality management system for the delivery of training in two training institutions, APA and the TUM. This indicator was achieved in 2021.

3.2.5. Specific objective E

The overall objective to empower citizens through constructive participation of CSOs in local, regional, and national decision-making processes.

Indicator E.1 implies that 5,000 citizens implement projects to improve municipal services in the WSV, EE and SWM sectors or activities to promote environmental and climate protection. This indicator was achieved in 2021.

Indicator E.2 aims to show that 18 Local Citizens Committees (LCCs) monitor the procurement, construction, and implementation of 18 EU-funded infrastructure measures to improve local public services, mentioned above. This indicator was achieved in 2021.

4. Key activities of the reporting period

4.1. Specific objective A:

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

During the reported period, GIZ supported MIRD to make an *inventory of the projects under the National Programme on Growth Poles*. At the same time, the Ministry and RDAs from North, Center, South and Gagauzia were supported in developing the related concept notes for six

municipalities identified as growth poles - Ungheni, Orhei, Edinet, Soroca, Comrat and Cahul. Project concepts were also consulted with the stakeholders, and after their approval were used for submission to the Call for Proposal within the National Programme for regional and local development launched by MIRD in March 2022.

As by MIRD and RDA North request, support was provided for the *development of the Programme for accelerating the development of Balti municipality*. The draft Programme went through public consultations, was approved by the Regional Development Council meeting on 30 Nov 2022³ and is now pending approval by the Government.

On the other hand, the planned advisory support in creation of Chisinau Development Region (including creation of RDA) was not requested by MIRD, therefore not provided.

GIZ continued its *support in developing legal and normative documents in the field of waste management* based on the financing agreement signed with the Environmental Projects Implementation Unit (EPIU) of the Ministry of Environment in 2021. The three regulations on specific waste stream management developed earlier, with corresponding guides for the implementation of the regulations – regulations on end-of-life vehicles, on used oils, and on used tires – went through public consultations in April. The Regulation for management of used tires was approved on 1 Sept 2022 (HG610/2022) and the regulation for management of used oils was approved on 26 Oct 2022 (HG731/2022). The third regulation is still at the Government for approval. To ensure wider public information and awareness raising on specific waste stream management and the draft regulations, three media organisations were awarded with grants, covering North, Centre and South regions.

Within this finance agreement, as by Ministry of Environment request, EPIU also drafted the law on waste management, which now is pending public consultations and approval by the Parliament.

In cooperation with GIZ Regional Office West, the project supported an *exchange programme for the development in the country of institutions and infrastructures related to circular economy*. A virtual study tour was organised during 11-13 April⁴ 2022 to provide networking opportunities and exchange on good practices related to circular economy to representatives of relevant public and private institutions, as well as civil society organisations.

Within this support, a cooperation between Wuppertal Institute in Germany and Environmental PIU was set. Workshops related to the creation of a waste management association between peers from Moldova and Germany were organised on 3 and 22 June 2022.

Also, in May, the Wuppertal Institute together with Circular Valley (an accelerator and unique hotspot in the field of circular economy in Wuppertal, Germany) organised a competition for start-ups on circular economy. During the month of June 5 selected start-ups participated in a support programme with 5 workshops, focused on further developing the start-ups' business idea to be able to finish by presenting their idea in a 5-minute pitch presentation. The final pitches were recorded virtually and then sent to relevant German actors in the field of circular economy to receive feedback.

Starting with 24 February 2022, due to the war in Ukraine, the Republic of Moldova is facing a big wave of Ukrainian refugees and thus facing a humanitarian crisis. To face the current and future

³ <http://adrnord.md/public/files/Proces-verbal-nr-3CRD-Nord3011202218d10.PDF>

⁴ <https://www.serviciilocale.md/en/make-moldovan-waste-management-circular/>

crisis situations, GIZ offered an *assistance package for development regions and communities of Moldova in case of crisis and emergency situations*.

Based on the call for proposals launched by the project in April 2022, RDAs North, Centre and ATU Gagauzia developed and implemented six-month projects, which contributed to increase of the capacity of institutions in the regions to plan, adapt to reality and coordinate actions in case of crisis and emergency situations on the territory of the Republic of Moldova.

Thus, the North Regional Development Agency (RDA) procured 12 electric generators, 12 fire-fighting sets and 360 sets of bed linen for the municipality of Balti and the 11 rayon councils of the North Development Region. Members of the North Regional Development Council (RDC) and employees of North RDA were trained how to communicate and what measures to take in emergency / exceptional situations. To gain more knowledge and exchange experience with peers from other countries on coping with emergency crisis, the North RDA, together with representatives of the North RDC and civil society, carried out on 17-20 October 2022 a study visit to Brasov, Romania.

The ATU Gagauzia RDA also participated in a study visit in October, this time in Turkiye. Representatives of the Commission for Exceptional Situations of ATU Gagauzia, MIRD, LPAs, and employees of the Gagauzia RDA learned the best practices from Turkish peers and gained practical skills in organising response to emergency calls. Also, the Gagauzia RDA, together with the Commission for Exceptional Situations of the ATU Gagauzia finalised the programme of trainings on the procedure for organising Civil Protection at regional and local levels.

The Centre RDA developed a Communication Guide for crisis situations intended for public authorities and completed a series of courses on first aid and disaster preparedness and management of high-risk situations. Also, they procured the necessary technical equipment for five placement centres in the Centre development region.

Another project in support to local communities was initiated via a civil society organisation from Cahul, AO AZI. The initiative implemented will contribute to the strengthening of the CSOs' capacities in the South region to provide immediate and medium-term information and psycho-social support for children, girls / women refugees from Ukraine and hosted in Cahul and Cantemir districts.

Starting with January 2023, AO Pro Cooperare Regionala will implement a similar support project covering communities in the North region.

4.2. Specific objective C

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

As Contracting Authorities, the RDAs have at the reporting date construction and supervision contracts for 18 PSPs under implementation (10 WSS, 8 EE). At the end of the reporting period, the degree of implementation of works amounts to ~95,5%.

The reporting period was characterised mostly by the war in Ukraine. The logistic chain was affected and the timely progress of works of the EE and WSS projects were delayed.

Especially the school rehabilitation projects faced many unforeseen constructions work positions and related contract amendments. In some cases, it was necessary to intervene in the structure of the buildings, in order to consolidate them for continuing the works.

In the current reporting period 7 projects (WSS Ungheni, EE Flamanzeni, WS Edinet, EE Ungheni, EE Holercani, EE Straseni, WSS Calarasi) have completed the construction works for which endorsement from GIZ Construction Department was obtained and preliminary handover was organised. Thus, the total number of the infrastructure projects with completed works has raised to 16. The construction works are still ongoing in two infrastructure projects, where the range of completion of works is 50% (EE Soldanesti project) and 70% (EE Balti project), these projects being in the process of retendering the works. Out of this number, three projects (WS Drochia, EE Basarabasca and EE Leova) are in the process of removal of the objections appeared during exploitation period or design errors, receipt of the final endorsement from GIZ Construction Department.

At the same time, to showcase the results of activities achieved under related EU-funded actions, together with North and Centre Regional Development Agencies were organised inauguration events for the completed construction works in infrastructure projects from Straseni (EE), Holercani (EE), Flaminzeni (EE), Ungheni (EE and WS), Edinet (WS) and Calarasi (WSS).

A number of challenges have hindered the implementation of the projects and good finalisation such as the connection of the renovated lyceums and gymnasiums to the electricity networks, lack of coordination and quality problems related to the activity of the technical supervisors appointed by the contracting authorities (RDAs), additional works comparing to the volume provided by technical documentation, poor performance of the companies and significant delays in implementation of construction works (EE in Balti and Soldanesti), payment of the contribution (the south cluster of projects) and ensuring of the sustainability of the measures.

Most of the WSS projects have demonstrated a straightforward implementation and faced only some issues related to bad weather conditions during the 2021-22 winter period when the works could not be executed and had few additional volumes. For the WSS Calarasi project, due to some design errors, additional works were needed for the rehabilitation of roads, and for WSS Ungheni some volumes of the rehabilitation of the roads were excluded. Due to that, the LPAs took the obligation to implement the additional works as a part of the local programme for renovation of the streets.

At the same time, the Energy Efficiency projects faced numerous technical changes and additional volumes of unforeseen works. All of these had a direct impact which required an additional implementation time. Some of the technical challenges identified during the implementation of these projects were reinforcement of the buildings, interior rehabilitation, heating supply, and ventilation solutions, electrical connection to the main power source, and obtaining permissions for the connections of the photovoltaic panel, from the National Agency in Energy Regulation, and others.

In order to streamline the handover procedure of the completed projects, a workshop with representatives of RDA's and MIRD was organised on 16 – 17 in November 2022 to discuss the status and the need for actions for the successful completion of all 18 EU-funded infrastructure projects. A set of follow-up actions and next steps related to finalisation of the infrastructure projects and organisation of the final hand over procedures was agreed with RDA`s and MIRD. Also, the participants were informed about the financial and narrative reporting of the results in line with the signed Financing Agreements.

Complementary to the infrastructure measures implemented under the EU Action, the German funds were used on support to Water Operators in Ungheni, Edinet, Drochia and Calarasi, and necessary manuals with versions in Romanian and Russian for use of the water quality testing equipment procured earlier in 2021 were provided.

Based on previous experience, the targeted community groups – local citizens committees and parents’ associations were advised to continue to be engaged in monitoring the procurement and construction progress of the EU-funded infrastructure projects to improve local public services. They have participated in the meetings of the local steering committee, procurement working groups for approval of additional construction works, and monitoring visits.

At the end of implementation of projects, energetic audits of Energy Efficiency projects as well as endline satisfactory surveys are to be conducted for both Energy Efficiency and Water Supply and Sanitation projects to prove the achievement of the targeted indicators. In this respect, the Project has organized the tenders for the provision of the above-mentioned services and it is in the process of selection of the companies.

In addition to the EU Action, within the GIZ support to water operator in Comrat, ATU Gagauzia, the integrated expert continued his mission until end of May 2022. The task of the expert was standing advice for improving the quality of the water supply and sanitation services, support and consultation in the process of expanding the services of the sewage system, and in the process of the design and construction of wastewater treatment plant in Comrat. As result of the needs identified by the integrated expert, in 2022 GIZ procured equipment for the autonomous operation of pumping system, but also IT equipment and a set of equipment for the emergency unit of ‘Su-Canal Comrat’ – pressure cleaner, hole punchers, electric welding units, hand tool set, industrial vacuum cleaner, leak detector etc. The value of the equipment procured and donated is over 280,000 MDL.

With guidance from the integrated expert, during 16-20 May 2022, a study visit to Germany on the construction and operation of wastewater treatment plants was organised. Eight participants, including Mayor of Comrat municipality, representatives of Comrat and Ciadir-Lunga water operators had the opportunity to exchange of experience and learn from German peers. This also contributed to the networking and cooperation between Moldovan and German water operators.⁵

To discuss the results of cooperation but also further needs of the region and opportunities within new GIZ projects, the management of GIZ Country office in Moldova and MLPS team carried out a working visit to Comrat municipality and met with partners on 31 May 2022.⁶

5. Ensuring the sustainability of measures/interventions

To ensure the sustainability of measures and interventions, the project followed throughout the reporting period that its objective and expected outputs continued to be aligned with national, regional and local needs and sector-specific requirements.

In view of the MLPS project’s end in 2023, GIZ is supporting its implementation partners on developing activities to ensure sustainability, which would address the institutional stability, continuous operation and maintenance of project facilities and continued community participation. This will ensure that the project measures will remain consistent as priorities of partners.

It is envisaged to ensure that all project beneficiaries put in action and implement the sustainability plans for the PSPs. The plans aim at instructing the operators on relevant aspects regarding a sustainable operation of the built infrastructures and possibilities to trigger the multiple aspects of sustainability in an optimal way.

⁵ <https://www.serviciilocale.md/en/real-contribution-improving-living-conditions-moldova/>

⁶ <https://www.serviciilocale.md/en/giz-team-working-visit-comrat-partners-atu-gagauzia/>

6. Overview of key activities/milestones for the next reporting period, per POs

Out-puts	Main activities for the upcoming reporting period (January – June 2023)	Timeframe / milestones
A.2.	Support to the development regions in response to emergency crisis	Q1, 2023
C.1.	Construction works for 2 projects (EE Balti, EE Soldanesti) completed and together with EE Leova and EE Basarabeasca endorsed by GIZ Construction Department	Q1-Q2, 2023
	18 constructed objects (EE Holercani, EE Ungheni, EE Straseni, WS Ungheni, WS Calarasi, EE Leova, EE Basarabeasca, S Leova, WS Leova cluster, EE Flamanzeni, WS Drochia, WS Falesti, ES Edinet, EE Balti and EE Soldanesti) transferred and accepted by LPAs via Council Decision (including registration on balance sheet)	Q1-Q2, 2023
	The implementation of 18 EU infrastructural projects is confirmed by RDCs	Q2, 2023
	Inauguration events in Basarabeasca, Leova, Balti and Soldanesti	Q1-Q2, 2023
	Conducting of the endline satisfaction survey on quality of services provided and Energy audits of rehabilitated buildings' energy consumption	Q1-Q2, 2023
	Organisation of the EU Action closing event	Q2, 2023
	MLPS closing event	Q2, 2023

7. Challenges and risks

An important challenge in implementation of construction works under the EU Action is the regional security crisis and the war which started in Ukraine on 24 of February 2022 and the declared state of emergency in Moldova valid until now. The war in Ukraine and the inclusion of Russian Federation and Belarus as a supplier country of the materials under sanctions, the increased prices for construction materials and equipment. This situation caused problems with delivery of ordered equipment from Ukraine and continued with some materials produced in Ukraine and eligible for the infrastructure action (such as ventilation equipment, mineral wool, metal, wood, et al.). Moreover, the required additional work volumes made an impact on implementation of construction works and led partly to extended construction timelines for the infrastructure projects funded by EU in Moldova. As a result, many of the implementation schedules were shifted in some cases from 3 to 6 months.

Given the above-described circumstances, it is already obvious that despite the efforts made, not all projects could be completed and transferred by September 2022. Therefore, it was agreed a 9-month extension at zero cost of the implementation period by the EU Delegation in the Republic of Moldova and BMZ. This extension aimed to ensure the closure of all ongoing EU infrastructure projects, including the handing over to the project beneficiaries and other related procedures.

Nevertheless, during the construction works the involved partners faced a lot of challenges, especially for the EE projects, because all the buildings are old and, in the reconstruction process, many design errors or additional work volumes were identified which could only be discovered when the construction started. In this regard, the following additional volumes of works could be observed: renovation of roof structure, additional works on the foundation, consolidation of the buildings due to discovered cracks, interior finishing after the installation of heating system, ventilation and replacement of electrical wiring, removing of old plastering from the facade, additional works on sewerage and water supply systems and many other works. The need of additional volumes is confirmed, and the execution is closely monitored by the Construction Department of GIZ.

At this stage, the most prominent risks are with the following projects: EE Soldanesti and EE Balti, due to the fact that the Contracting authorities (RDA Centre and RDA North) terminated premature the existing contracts and initiated a new tender procedure.

In this regard, the new tender procedures could fail as a result of:

- Lack of interest from the local companies to participate in the new tender(s). There is a limited pool of experienced and specialized companies on the market.
- The time constraints for organizing the tender(s) and implementing the works. The expected result can be obtained only if the company(s) selected to carry out the works are contracted by mid-March 2023 at the latest.

As a mitigation measure, GIZ is in direct contact with all the involved parties to identify proper solutions and speed up the processes.

8. Lessons learnt and recommendations

The lessons learnt and recommendations described in the Progress Report nr. 13 for the 2021 implementation period remain valid as well for the current reporting period. This mostly refers to the lessons learnt from the process of implementing the infrastructure projects in WSS and EE in public buildings, financed by the EU.

The used modality of implementation through RDA`s, despite its role in strengthening national absorption/implementation capacities, has proven to be cumbersome and difficult to coordinate. Although, full responsibility for the use of EU funds was assigned on GIZ, the designed implementation approach and modalities involved the RDA`s implementation structures and a mix of national and EU procurement procedures. Thus, the different decision-making structures, procedures and reporting criteria have made the implementation difficult given the unequal responsibilities carried by the partners towards the achievement of project`s criteria of efficiency. Even so, the use of partner institutions and systems (versus project units) provides long-term sustainability of project results and strengthens the capacities of national institutions in the development and implementation of large-scales projects at the regional level.

A number of challenges have hindered the implementation of the projects and in time finalization such as:

- The increase of the effective works with the additional volumes provided by technical documentation, as a result of issued caused by design deficiencies;
- Connection of the renovated lyceums and gymnasiums to the electricity networks;
- Insufficient coordination and quality problems related to the activity of the technical supervisors appointed by the contracting authorities (RDAs);

- Poor performance of the companies and significant delays in implementation of construction works (EE in Balti and Soldanesti);
- Non-fulfilment of the committed local contributions in the South Region;
- Low capacities of project beneficiaries in ensuring the sustainability of the investment measures. There is a need to continue training activities for institutions and personnel responsible for the maintenance of the invested assets, both in WSS and EE sectors.

In relation to the support package to the regions to improve capacities to plan, adapt and coordinate actions in case of crisis and emergency situations, the recommendations are as follows:

- Importance of prompt response, as well as consideration of a possible increase in the other resources and organisations involved in solving the same problems – coordination of actions is imperative;
- Lack of accurate up-to-date data related to the number of people in need of support in case of emergency or crisis (in our case number of refugees), specific needs of the different categories of people, necessities of the responsible public organisations etc. make difficult to plan actions based on the actual needs, thus provide necessary support in shortest time possible;
- Best practices and lessons learnt of other countries related to the necessary skills, processes, emergency inventory cases, contribute to increasing the skills and capacities of Moldovan institutions to face such situations;
- Besides the support in updating the necessary materials and technical base of public institutions and material assistance to refugees and persons in crisis, it is important to support activities for their social integration in the new environment.

9. Communication and visibility

To better promote the progress and showcase the results of activities achieved under the MLPS project and related EU-funded actions, GIZ posted news on webpage www.serviciilocale.md. Posts on the GIZ Moldova Facebook account were accompanied by hashtags to identify the action scope and increase Project and donors' visibility, e.g., #GermanCooperation, #StrongerTogether, #TeamEurope, #EU4Moldova, #MLPS, #RegionalDevelopment, #EuropeDay2022.

To contribute to the Europe Day 2022 activities and messages, to increase the visibility of German and EU support to Moldovan communities, GIZ participated in the dedicated events and activities in Chisinau (14 May), Ungheni (15 May) and Edinet (21 May) with:

- Projection of short videos and cartoons related to the project and its partners' activities and results
- Presentation of water testing equipment by Edinet and Ungheni representatives of the water operators
- Interactive discussion with citizens
- Awareness cartoons on saving water and energy and protection of nature for children, drawing activities for children
- Distribution of promo materials - table calendars, tote bags, water bottles and colour pencils.

All visuals used at the events – video clips, cartoons, infographics etc. – highlighted the EU and German Cooperation logos.

To promote the progress and showcase the results of activities achieved under related EU-funded actions, together with North and Centre Regional Development Agencies and local beneficiaries were organised the inauguration events for the finalised infrastructure projects, as follows:

Name of the project	Location	Date
Straseni Energy Efficiency	Straseni	22.09
Holercani Energy Efficiency	Holercani, Dubasari raion	28.09, in the framework of EUSEW
Flaminzeni Energy Efficiency	Flaminzeni, Singerei raion	2.11
Ungheni Energy Efficiency	Ungheni	9.11,
Ungheni Water Supply and Sanitation	Ungheni	In the same day
Edinet Water Supply	Edinet	23.11
Calarasi Water Supply and Sanitation	Calarasi	08.12

These events were very well publicised, gathering community members and high-level representatives of the Moldovan Government, European Union Delegation, EU members states Embassies, local public authorities, CSO representatives, mass media, and citizens. As a result, people were informed about the benefits different communities will enjoy upon the completion of the EU-funded projects.

Also, GIZ used its official webpage www.serviciilocale.md and social media accounts to inform the public thereof. Videos of inaugurated projects were produced and uploaded on GIZ Moldova YouTube channel. The information was also shared by RDAs on their official websites and social media accounts.

To highlight the physical visibility of EU-funded WSS and EE projects, besides the big information boards already installed in communities, smaller information panels were placed at the completed objects at visible locations informing on the key facts of the EU-funded projects.

The websites www.serviciilocale.md and www.eu4civilsociety.md⁷ are still being populated with and offer a wide range of publications, guides and visibility materials which can be used by different stakeholders – citizens and CSOs, public authorities and service providers.

⁷ Since March 2022 transferred for management to the EU-funded project “Strategic Communication and Support to Mass-Media in the Republic of Moldova” (StratCom).

Annex 1 – Current status of indicators (31.12.2022)

	Success indicator	Baseline value	Target value	Current value ⁸	Target value description	Comments on current value/status
Outcome 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))	0	75%	86,9%	<i>of the representatives of 52 benefitting LPAs express a level of 4 or more on a six-level scale with 1 = strongly dissatisfied and 6 = very satisfied</i>	Indicator achieved.
		0	75%	85,1%	<i>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>	
Outcome 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.	0	18		<i>infrastructure projects are confirmed by the RDCs to be ready for operation.</i>	Indicator is on track and partially achieved: - the technical design documentation for 18 infrastructure projects accepted by LPAs; -16 WSS and EE projects (S Leova, WS Leova rayon cluster, WS Drochia, WS Falesti, EE Flamanzeni, EE Ungheni, EE Holercani, EE Straseni, WSS Ungheni, WS Edinet, WSS Calarasi) have the construction works completed and for 12 projects the inauguration events have been organised; The overall achievement of the indicator, through RDC confirmation is subject to the finalisation of procedures relating to the transfer of assets to the beneficiary LPAs.

⁸ In case of empty cells, the indicator cannot be intermediately assessed, even though its activities are on track. Please see the comments column for current status.

	Success indicator	Baseline value	Target value	Current value⁸	Target value description	Comments on current value/status
Outcome 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%.	28,3	132,7	150	<i>million EUR</i>	Indicator achieved.
		100%	465%	528,5%	<i>% increase of baseline value</i>	
Output A1	2 National Strategies for Regional Development (NSRD), which were elaborated in a participatory way (1 for the phase 2016-2020, 1 for the phase 2022-2028), are confirmed by the NCCRD.	0	2	2	<i>strategies</i>	Indicator achieved.
Output A2	7 (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 responsible state bodies regarding their accordance with the requirements of the EU AA.	0	7	6	<i>reviewed and adjusted legislative and normative documents</i>	<p>Indicator on track:</p> <ul style="list-style-type: none"> - Law on regional development is approved by Government; - National Programme on growth poles is approved by Government; - Call for proposal and Operational Manual of the NFRD are revised and approved by NCCRD/MIRD; - New paradigm on Regional Development. <p>2 out of 3 regulations (used tires and used oils) were approved by the Government; 3rd regulation on end-of-life vehicles is pending approval by the Government in the next reporting period.</p> <p>The Programme for accelerating the development of the municipality of Balti as a development pole was drafted, publicly consulted, and approved by RDC North; approval by the Government is expected in the next reporting period.</p>
Output A3	A results-based monitoring system for steering the RDSs is approved by national and regional development councils (NDC, RDC).	0	1	1	<i>RBM system</i>	Indicator achieved.

	Success indicator	Baseline value	Target value	Current value⁸	Target value description	Comments on current value/status
Output B1	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	0	8	2018: 8 2019: 0 2020: 0 2021: 8	<i>Annual reports (1 report per sector per development region)</i>	Indicator was achieved in 2018 and 2021.
Output B2	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.	0	3	3	<i>project proposals</i>	Indicator achieved.
Output B3	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).	0	25	25	<i>local development plans</i>	Indicator achieved.
Output C1	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 RDAs North, Centre and South.	0	18		<i>projects with an investment volume of approx. EUR 35 million are implemented</i>	Indicator on track: - Technical documentation prepared, approved and transferred to beneficiaries; - 16 WSS and EE projects (S Leova, WS Leova rayon cluster, WS Drochia, WS Falesti, EE Flamanzeni, EE Ungheni, EE Holercani, EE Straseni, WSS Ungheni, WS Edinet, WSS Calarasi) have the construction works completed. Intermediate indicator value will be marked as achieved after the finalisation of procedures relating to the transfer of assts to the beneficiary LPAs.
Output C2	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 RDAs North, Centre and South by the year 2019.	1	7	7	<i>projects with an investment volume of EUR 13.4 million implemented</i>	Indicator achieved.

	Success indicator	Baseline value	Target value	Current value⁸	Target value description	Comments on current value/status
Output D1	Both governmental and non-governmental organisations include 21 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.	2	21	21	<i>training modules implemented by the Academy of Public Administration and the Technical University</i>	Indicator achieved.
Output D2	80% of participants consider the offered training courses as useful for their work.	0	80%	96.2%	<i>participants of 21 training modules.</i>	Indicator achieved.
Output D3	2 training institutions introduced a quality management system for the provision of the trainings.	0	2	2	<i>institutions</i>	Indicator achieved.
Output E1	5,000 citizens 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.	0	5000	13956	<i>citizens</i>	Indicator achieved.
Output E2	18 Local Citizens' Committees are established and monitor the procurement, construction and implementation of 18 infrastructure projects for improving local public services.	0	18	18	<i>LCCs monitor the procurement, construction and implementation of 18 projects</i>	Indicator achieved with the completion of the implementation of EU Action on citizen engagement. Still, the ongoing construction works are monitored by the involved stakeholders and civil society representatives.

Annex 2 – Status of PSPs implementation (updated 31.12.2022)

Name of the projects	Level of executed construction works (end of December 2022)	% of the used budget (end of December 2022)	Constructi ons completion / Planned	Actual*/Estimated**		
				Preliminar y hand-over (month)	LPA Decision of approval of investment costs (Latest, month)	Final hand-over (Latest, month)
EE Flaminzeni, Singerei r.	100%	100%	05.2022	05.2022*	09.2022*	02.2023**
EE Balti town	70%	70%	04.2023	04.2023**	05.2023**	06.2023**
WS Edinet town	100%	100%	09.2022	12.2022*	02.2023**	04.2023**
WS Falesti town	100%	100%	05.2022	05.2022*	07.2022*	04.2023**
WS Drochia town	100%	100%	10.2021	11.2021*	02.2022*	04.2023**
EE Ungheni town	100%	95%	09.2022	09.2022*	02.2023**	02.2023**
EE Soldanesti town	50%	30%	12.2022	04.2023**	05.2023**	05.2023**
EE Holercani, Dubasari r.	100%	100%	08.2022	09.2022*	02.20232**	02.2023**
EE Straseni town	100%	100%	07.2022	07.2022*	02.2023**	02.2023**
WSS Ungheni town	100%	100%	06.2022	06.2022*	02.2023**	02.2023**
WSS Calarasi town	100%	100%	08.2022	10.2022*	03.2023**	03.2023**
EE Leova town	100%	100%	08.2021	01.2023**	03.2023**	04.2023**
EE Basarabasca town	100%	100%	10.2021	02.2023**	03.2023**	04.2023**
SAN Leova town	100%	100%	08.2021	12.2021*	02.2023**	04.2023**
WS Leova cluster, 4 villages						
Iargara town water supply	100%	100%	09.2021	12.2021*	02.2023**	04.2023**
Cupcui village water supply	100%	100%	09.2021	12.2021*	02.2023**	04.2023**
Filipeni village water supply	100%	100%	09.2021	12.2021*	02.2023**	04.2023**
Romanovca village water supply	100%	100%	09.2021	12.2021*	02.2023**	04.2023**

Note: EE – Energy Efficiency project; WSS – Water Supply and Sanitation project; WS – Water Supply project; SAN – Sanitation project