



ENPI - Neighbourhood - Mediterranean & Eastern Europe

**Support to the Implementation of the Pilot
Regional Development Programmes (PRDPs)**

Republic of Moldova

**Regional Planning and Project Pipelines for
Development Regions North, South, Central
in the Republic of Moldova**

Implementation Report

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Acronyms and abbreviations

APA	Academy of Public Administration
CALM	Congress of Local Authorities of Moldova
CCI	Chamber of Commerce and Industry
CEEC	Central and Eastern European Countries
CORD	Conference of Overcoming Regional Disparities
CPSS	Complementary Private Sector Support
EC	European Commission
EE	Energy Efficiency
EaP	Eastern Partnership
ENP	European Neighbourhood Policy
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IFI	International Financial Institution
LED	Local Economic Development
LPA	Local Public Administration
MLPS	Modernization of Local Public Services
MoTRI	The Ministry of Transport and Roads Infrastructure
MRDC	Ministry of Regional Development and Construction
NFRD	National Fund for Regional Development
NWG	National Working Group
ODIMM	Organisation for Small and Medium Enterprises
PDP	Project Development Pathway
PPC	Possible Project Concept
PRDP	Pilot Regional Development Programme
PWG	Project Working Group
RBM	Results Based Monitoring
RD	Regional Development
RDA	Regional Development Agency
RDC	Regional Development Council
RDS	Regional Development Strategy
RTG	Ready-to-Go Project
RLR	Regional and Local Roads
ROP	Regional Operational Plan
RPP	Regional Planning and Programming
RSP	Regional Sector Programme
RSWG	Regional Sector Working Group
SC	Steering Committee
SEDS	Socio-Economic Development Strategy
SRA	State Road Administration
SWM	Solid Waste Management
VPC	Viable Project Concept
WMZ	Waste management zone
WSS	Water Supply and Sanitation

Glossary of terms

Possible project concept (PPC)	Project idea that is relevant and consistent with the regional plan.
Project development pathway (PDP)	Is a methodological and practical tool designed to assist the work through all of the 5 stages involved in developing a public project in a logical and systematic manner: Identification of project idea; Project conceptualization; Project concept outline design; Project elaboration; and Project finalization.
Project pipeline	A mechanism whereby a series of projects and their promoters are assisted to progress their projects from conception towards readiness. Projects in the pipeline can have different degrees of readiness, qualities, speeds, but it is necessary to ensure that poor quality projects do not progress through the pipeline.
Ready-to-go project (RTG)	Final project proposal, not necessarily or only full feasibility study, but which has all the required documentation, tender documents, expressed/ documented commitments, etc.
Regional operational plan (ROP)	Is an implementation plan for the Regional Development Strategy approved by the RDCs.
Regional sector plan	The initial document proposed for the regional sector planning process. The document was later reformulated into a Regional Sector Programme, which was the final output of the process. Is a tool for regional sector planning, developed in co-operation with the main stakeholders, to help them to take improved decisions related to investment, based on the general view in the region on how to develop the sector. It ensures that initiatives are based on regional and local needs and are in line with the central policy requirements currently in force. As a practical tool it gives an orientation for potential project promoters on the project development resources to be planned and allocated in the medium term.
Regional sector programme (RSP)	Document, developed based on regional sector plan and further adjusted to the structure defined by the governmental regulation, gone through official consultation process, approved by the RDCs.
Viable project concept (VPC)	Project idea which has been sufficiently developed from the state of possible project concept, and advanced further so that many of the features have become very clear; there is a clear understanding of the results/positive change that the project can bring. It has to be based on the clearly identified needs, expected demand, recognized owner/institution and expressed commitment, preliminary definition of the outputs (conceptual technical design), general understanding on financial size of the future project (this term corresponds to the definition of fiche used in the ToR of the consultant).
Viable project concept (VPC) in pre-final stage	Projects at the end of Stage 3 are considered to be “VPCs at pre-final stage”, i.e. awaiting financing commitments before being progressed through the finalisation stage of full technical design and tender book.

1. Summary and context of the Action

1.1. *Background to Pilot Regional Development Programmes and the MLPS project*

The Pilot Regional Development Programme (PRDP) is a new initiative designed to enable and encourage Eastern Partnership (EaP) countries to learn and be inspired from the EU Policies of Economic and Social Cohesion of which regional development is an important component. In its guidelines for PRDPs, the EC notes that the “focus should be on supporting the development of the requisite legal and institutional framework for an effective regional development policy, through policy dialogue, technical assistance, and ‘learning-by-doing’ on the basis of pilot activities”. In this context, the European Commission proposed a total of EUR 7 million support to Moldova under this initiative, EUR 2 million of which related to the 2012 budget and EUR 5 million to the 2013 budget. The PRDP in Moldova focuses on two main “gaps” identified in the emergent regional development system: **regional statistics** (subject of a separate TA contract and totally outside the scope of this GIZ project); and, **regional planning and programming** (Component 2).

In October 2013, GIZ and EU signed a Delegated Agreement,¹ according to which the EU has delegated the implementation of Component 2 of its Pilot Regional Development Programme (PRDP) to the project “Modernization of Local Public Services” (MLPS) that GIZ has managed in Moldova since 2010. The overall objective of the project is to improve the conditions for local public service delivery in the Republic of Moldova through supporting regional and local actors in linking local needs with regional and national priorities.

MLPS covers two areas of intervention:

- **Intervention Area 1 (IA 1) – Local Public Services**

Support to RDAs and LPAs in planning, developing, implementing and managing pilot projects for the improvement of local public services.

- **Intervention Area 2 (IA 2) – Regional Planning and Programming**

Support to RDAs and LPAs in regional sector planning and programming.

The EU PRDP assistance is channelled only to Intervention Area 2. The focus of the Delegated Agreement was therefore on:

¹ Republic of Moldova (2012) “Support to the Implementation of the Pilot Regional Development Programmes (PRDPs) - Agreement on Delegated Tasks and Actions - Regional Planning and Project Pipelines for Development Regions North, South, Central in the Republic of Moldova”.

- Supporting development of projects from fiche/viable project concept stage to ready to finance/go stage;²
- Extending the entire planning, project identification and project development stages to the regional and local roads (RLR) sector;
- Related capacity development; and,
- A complementary private sector support action, which in later discussions over 2014 between the EU and GIZ was limited to those activities most relevant to the other four sectors and to the need to mobilise Moldovan companies to benefit from procurement opportunities deriving from financed projects.

Component 2 of the PRDP has been implemented through indirect centralised management by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in accordance with Article 54(2) (c) of the Financial Regulation. It has been implemented within MLPS project, IA 2 “Regional Planning and Programming”, the total budget of the Action being EUR 5 million.

The institutional counterpart of MLPS is the Ministry of Regional Development and Construction (MRDC), while the main implementing bodies are the three Regional Development Agencies (RDAs). Apart from its institutional counterparts, the MRDC and the RDAs, the main project partners are:

- Ministry of Environment
- Ministry of Economy/ Energy Efficiency Agency
- Ministry of Transport and Roads Infrastructure
- Ministry of Health
- Ministry of Education
- State Chancellery
- Academy of Public Administration
- Regional Development Councils
- LPAs of the 1st level (mayoralities) and LPAs of the 2nd level (rayons)
- Congress of Local Authorities of Moldova (CALM).

In relation to Complementary Private Sector Support (CPSS), the target group of this initiative includes all interested legally registered companies from the North, Centre and South Development Regions of Moldova which are considering participation in any form (individual, consortium partner, subcontractor) in a public procurement process organised by an RDA for an investment project in one of the following areas: Water Supply and Sanitation, Solid Waste Management, Energy Efficiency of Public Buildings, as well as Regional and Local Roads. The primary beneficiaries of MLPS are the citizens of the Local Public Authorities (LPAs) in the three development regions of Moldova. The main donors of the MLPS project are the European Union, the Government of Germany,

² As established in the GIZ Inception Report to the European Union Delegation, however, projects will not be advanced to the “ready-to-go” stage unless and until financing for projects have been secured. Thus, without financing, projects will be taken to “VPC at pre-final stage”.

the Government of Sweden and the Government of Romania and synergies between these contributions is ensured.

More details on the summary of the Action are presented in the table below.

Table 1: MLPS Project and PRDP – Component 2 “Regional Planning and Project Pipelines for Development Regions North, South, Central in the Republic of Moldova”– Summary

Title/Number	Pilot Regional Development Programmes (PRDPs) – Component 2 “Regional Planning and Project Pipelines for Development Regions North, South, Central in the Republic of Moldova”
Contribution	To the “Modernization of local public services in the Republic of Moldova” project
Overall objective	To support Moldova in advancing its economic, social and territorial cohesion with focus on the development of the policy, legal, institutional and developmental framework for an effective development policy for Moldova’s regions
Purpose	To facilitate a regional planning process leading to the development of a project pipeline relevant to specified areas and concerns of Moldovan RD and EU Cohesion Policy To develop capacities essential to sustaining the above objectives and support the wider regional development process
Expected results	Detailed regional plans covering five thematic fields essential to the development of Moldova’s regions (water and sanitation, solid waste management, energy efficiency, local roads, complementary private sector support of key importance and from these updated regional operational plans for each region (N, S, C) Updated regional operational plans for each region where RD institutions are in place Validated capacity among responsible bodies relevant to the above results, including capacity to continuously manage a project pipeline A pipeline of ready to go, ready to finance and ready to procure projects in the five thematic fields.
Beneficiary	Ministry of Regional Development and Construction of the RM
Duration	The project is planned for 26 months
Budget	European Commission EUR 5 million
Implementing Agency	Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) GmbH
Component II	Indirect centralised management
DAC-code	43010 Sector multi-sector aid
CRIS	ENPI/2012/023-418

1.2. Policy context into which EU Assistance is deployed - EU integration dynamics

In the past year, the Republic of Moldova has made important progress on its pathway of European Integration. Specifically, an Association Agreement between the EU and the Republic of Moldova was signed on 27 June, 2014,³ which establishes European prospects in advancing Moldova’s political and economic reforms, providing for a steady

³ The Association Agreement between the European Union (and the European Atomic Energy Community) and the Republic of Moldova was ratified by the European Parliament on 13/11/2014.
http://www.gov.md/public/files/2013/ianuarie_2014/7048451_en_acord_asociere.pdf

convergence with the EU *acquis* and general EU member state standards, including mutual free market access, the Deep and Comprehensive Free Trade Area and other areas.

Under Chapter 20 of the said Agreement, “Regional Development, Cross-Border and Regional Level”, the “parties shall promote mutual understanding, and bi-lateral cooperation in the field of regional policy, including methods of formulation and implementation of regional policies, multi-level governance and partnership, with special emphasis on the development of disadvantaged areas and territorial cooperation, with the objective of establishing channels of communication and enhancing exchange of information and experience between national, regional and local authorities, socio-economic actors and civil society”. In so doing, they will seek to align Moldovan practice with the key principles of:

1. Decentralisation of the decision-making process, from the central level to the level of regional communities;
2. Consolidation of the partnership between all the parties involved in regional development; and,
3. Co-financing through financial contribution of the Parties involved in the implementation of regional development programmes and projects.

These general principles are complementary to the efforts already supported by the EU in recent years in Moldova, especially in the sphere of regional development and good governance. In the fields of environment, and specifically of waste management and water and sanitation, and in the areas of energy efficiency and transport including road transport, the same agreement foresees that Moldova will steadily align with the *acquis communautaire* and general EU member state practice.

All three of the above principles are central to the Government of Moldova and the Ministry of Regional Development that is currently implementing the National Strategy for Regional Development 2013-2015. Also, this is in line with MLPS project mandate and objectives.

2. Summary of implemented activities under the Action during the reporting period

2.1. Progress achieved in the implementation of activities

In accordance with the project proposal, GIZ submitted to the Delegation of European Commission in the Republic of Moldova an Inception Report⁴ in March 2014, which sets

⁴ The Inception Report - Regional Planning and Project Pipelines for Development Regions North, South Central in the Republic of Moldova can be accessed on:
<http://serviciilocale.md/doc.php?l=en&id=855&idc=69&t=/Progress-Reports/Inception-Report-Regional->

the background for the implementation of the Action as per recent developments in the regional development area in the Republic of Moldova. This report has been discussed with counterparts and approved by the MLPS Steering Committee on 13 June, 2014.

In this context, the reporting on the implementation of the Action during the period October 2013 - December 2014 shall be against the agreed and/or revised approaches, expected outputs as included in the initial Project Proposal and the Inception Report. Linkages between activities implemented by MLPS before and under this Action are also made in this report. Information on the measures taken to identify the European Union as a source of financing has been included in both, the initial project proposal and the aforementioned Inception Report.

The focus of this Action, Component 2, has been on improving and linking the planning and programming at regional level with regard to four sectors - Solid Waste Management (SWM), Water and Sanitation (WSS), Energy Efficiency in public buildings (EE), and Regional and Local Roads (RLR) - to project identification and their further development to the stage of "fiche" (equivalent to a "Viable Project Concept") and Ready to Go projects (RTG), respectively. It should be noted that the Delegated Agreement anticipated this development and considered that a fiche would be equivalent to a "viable project concept". However, according to the methodology adopted by GIZ, and consistent with the Delegated Agreement, "Possible Project Concepts" (PPCs) are the end point of the regional sector programme. They are thus the starting point for substantial project development work to VPC and beyond.

Depending on the sector, there is a little fluidity in practice with regard to the definition applied to PPC and VPC. In general, **all PPCs agreed as part of the regional sector programme more than satisfy any reasonable criteria for a "project fiche" as described in the project documentation.**

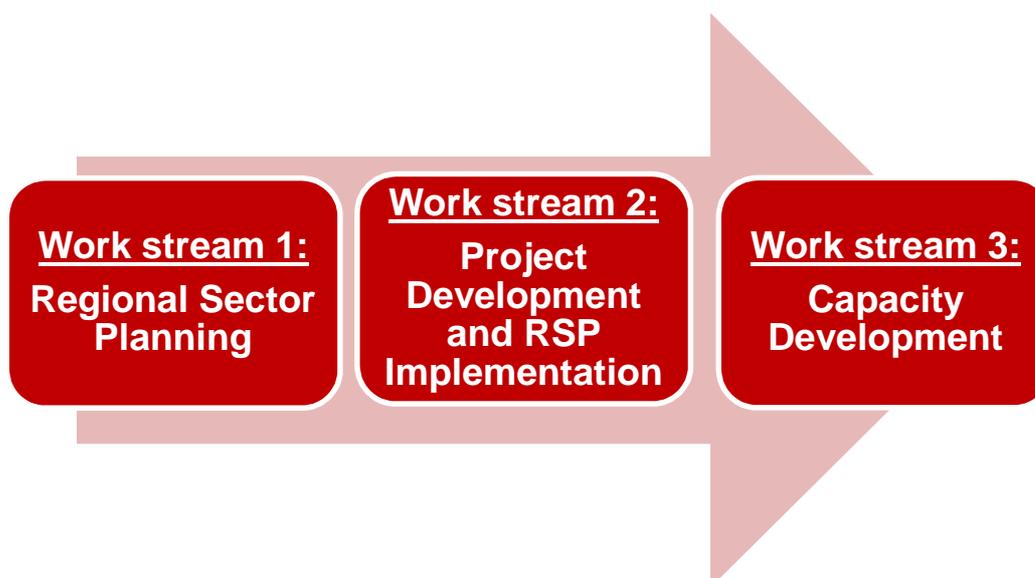
Also, this component includes Complimentary Private Sector Support (CPSS), which aims at:

- Enhancing the capacities of SMEs operating in the North, Centre and South Development Regions of Moldova via the Chamber of Commerce and Industry of the Republic of Moldova, its branches (Balti, Edinet, Ungheni, Soroca, Orhei, Hincesti, Causeni, Cahul and Comrat) in cooperation with the Regional Development Agencies (RDAs), in order to enable them to participate in public procurement processes for infrastructure projects.
- Facilitating the participation of SMEs in public procurement processes by Regional Development Agencies.
- Facilitating potential joint ventures by bringing together Moldovan and international companies in the above mentioned sectors.

- Supporting the networking capacities of SMEs in Moldova's three Development Regions.

While a consultancy consortium headed by GOPA provides support in implementation of the MLPS component on Regional Planning and Programming in all sectors concerned, SEQUA and the Committee on Eastern European Economic Relations (OA) offer specific support measures for CPSS under the given Action.

Below is the summary of the implemented activities as per the core three work streams agreed with national counterparts and included in the revised Results-Based Model of the MLPS project. It should be noted that during the reporting period the number of work streams has been reduced to three (as compared to the four original work streams). The main change is that the preparation of VPCs and RTG projects is now combined under a new work stream 2. This format is also used in the work plan (see Annex 1).



Work stream 1: Regional Sector Planning

To date, the development of 11 regional sector programmes (RSPs)⁵ was completed, including the development of 3 RSPs in **Regional and Local Roads** (RLR) for the Regions North, Centre and South covered by this Action.⁶ Like in the other cases, the RSPs in RLR were developed as per agreed processes, approaches and methods. These were developed in a participatory manner and have been consulted with the main

⁵ In order to be in line with the national regulations on development of such documents, MRDC requested certain changes in the regional sector plans in order that they can be qualified as regional sector programmes.

⁶ Two RSPs in SWM (DRC and DRN) as well as three RSPs in EE for all three development regions were completed and approved by the Regional Development Councils (RDCs) in February 2014. The RSPs for WSS for the 3 regions were completed in April 2014 and underwent consultation in May and June 2014 and were approved in June 2014 by RDCs. These activities are covered under by the German and Swedish funds. The development of the 3 RSPs in RLR are covered by the EU funds.

counterparts at the national (MRDC, MoTRI) and regional/local (RDAs, RSWGs from the regions North, Centre and South) levels in several working sessions and coordination meetings. Analysis of the main demand/needs related to local and regional roads, the situation in the sector, formulation and discussions of RLR development concept, vision and options, as well as presentation of the key proposals for implementation actions in each region have been an integral part of the development process and content of the 3 RSPs in RLR. All RSPs are available in both English and Romanian languages. Informal public consultations in each development region began in October 2014 and continued until the end of the year. Approval of all RSPs in RLR is expected in the first quarter of 2015. The final approved versions of the RSPs shall be placed on the MLPS website: www.serviciulocale.md and RDAs/MRDC websites.

In relation to the **Complementary Private Sector Support (CPSS)**, as mentioned in the Inception Report, and agreed with the MRDC, no RSP shall be developed in this sector as such. However, based on initial discussions and assessment of needs, challenges, roles of counterparts and their contribution to the public tendering process in Moldova, a common view and approach for the future cooperation between all partners, as well as agreement on capacity development actions⁷ in this areas has been achieved.

In this context, during the reporting period, a National Working Group (NWG) on CPSS, headed by the MRDC, was established. The representatives of the NWG are: MRDC, RDAs, CCI, National Confederation of Employers, Ministry of Finance, Public Procurement Agency, ODIMM, Ministry of Environment, Ministry of Transport and Road Infrastructure, Agency for Energy Efficiency, GIZ/Sequa. The members of the NWG met for the first session in May 2014. During this meeting, a National Action Plan for 2014 was discussed and approved. Also, a Memorandum of Understanding on the

⁷ The capacity development actions proposed by the counterparts are the following:

- Holding round tables with the private sector/SMEs in order to raise the awareness for the potential of the public tender in the selected sectors; in order to assess the priority needs of the private sector with respect to public tender processes; in order to brainstorm about potential information channel;
- Holding working groups in order to improve the communication and cooperation between the different public actors; in order to assess the potential of the private sector and discuss the possibilities for the establishment of a database (to be used by sectors);
- Offering technical inputs for companies in the form of trainings (e.g. in the framework of round tables) with respect to the following topics: engineering, establish consortium/partnerships with local and foreign companies, public tender processes (how to get necessary information, how to assess the opportunity, how to acquire information about partners and companies in Moldova and abroad);
- Study visits, visits of relevant trade fairs and exhibitions (e.g. Green Venture); organising B2B-events;
- Lobby the legislative process for the amendments to the public procurement law (based on the EU directives) in order to take into consideration the private sector perspective;
- Offering information and consultancy for private sector with respect to the public tendering processes and requirements.

implementation of the sub-component “Complimentary Private Sector Support” was discussed and approved.

At the regional level, **three Regional Working Groups (RWG)**, headed by the RDAs North, Centre and South were established. The members of these RWGs include around 26 representatives from RDAs, CCI branches, the National Confederation of Employers, the private sector representatives of Regional Development Council, and GIZ / Sequa. The RWG met in two quarterly sessions. During these sessions, quarterly Action Plans for each region were updated and approved.

Work stream 2: Project Development and RSP implementation

During the reporting period, significant progress has been achieved in advancing the development of PPCs in the 3 sectors – EE, SWM and WSS. In relation to the RLR sector, the project is currently at the stage of initiating the development of the PPCs.

By sector, the following were the activities undertaken under the project development work stream.

➤ Solid waste management

The 2 RSPs for SWM (Center Development Region and North Development Region)⁸ were approved in February 2014 and in March 2014, meetings with the Regional Sector Working Groups (RSWG) and Project Working Groups (PWG) were convened in each of the three regions in order to present the SWM team’s work plan for 2014-2015 and set out the responsibilities of various participants of the RSWGs and RWGs.



As agreed with the MRDC partners, work in the WMZs is divided into two blocks⁹. The first block includes:

- **DR North, WMZ 2:** Briceni, Donduseni, Edinet and Ocnita rayons
- **DR Centre, WMZ 2:** Nisporeni, Ungheni and Calarasi rayons
- **DR South, WMZ 3:** Cahul, Taraclia and Cantemir rayons.

⁸ In South Development Region, an ENPI Waste Governance Project has prepared a regional waste management strategy and this is deemed equivalent to the SWM RSP.

⁹ In the first quarter of 2014, it was agreed with the MRDC partner to prioritise the zones based on the following criteria: i) Resources to be applied in each Region; ii) MLPS resources should be applied in zones where international sector support is low/absent, iii) Local sector conditions should be stable, iv) low number of existing concession contracts.

The list of potential landfill locations in the Solid Waste Management Zones of Development Regions of the Republic of Moldova is included in the Annex 2.

For these WMZs, comprehensive project development began after approval of the Regional Sector Programmes in February 2014. The most important activity in developing SWM projects is to identify suitable sites for key infrastructure – regional landfills, transfer stations, as well as composting and sorting facilities – within each waste management zone (WMZ).

To that end, the MLPS SWM team of experts evaluated:

- **DR North, WMZ 2:** 15 potential landfill locations
- **DR Centre, WMZ 2:** 7 potential landfill locations, including a military polygon in Zagarancea
- **DR South, WMZ 3:** 3 potential landfill locations.

The sites were evaluated for suitability based on a multi-criteria analysis. The preferred sites were proposed for each region and were presented in July 2014 at a session of the Regional Sector Working Group. The Table 2 presents the preliminary assessment criteria for identifying the most suitable regional landfill locations.

Table 2. Preliminary assessment criteria for regional landfill locations

Criteria description	Minimum requirement	Reference to the Law/regulation
Infrastructure and Operation Criteria		
Maximum distance from the main road network	10 km	It is not stipulated in legislation. The criterion is based on the experience of similar projects from other countries
Maximum distance from center of waste generation	20 km	It is not stipulated in legislation. The criterion is based on the experience of similar projects from other countries
Minimum site location to ensure 20 years of lifetime for the landfill	14 ha	It is not stipulated in legislation. The area was estimated by the consultant including reserve areas for composting and sorting facilities.
Hydro-geological and hydrological Criteria		
Minimum depth of the aquifer	1 m	It is not stipulated in legislation. The criterion is based on the experience of similar projects from other countries (Former German landfill Directive "TA Abfall" requires that the base of the

		landfill is minimum 1.0m above the highest groundwater level).
Minimum distance from water sources	500 m	It is not stipulated in legislation. The criterion is based on the experience of similar projects from other countries
Minimum distance from rivers, water basins and streams	<ul style="list-style-type: none"> • 500 m for rivers and water basins • 15 m for streams 	Law No. 440 / 27.04.1995 regarding protection of zones and strips water rivers and water basins
<i>Physical planning criteria</i>		
Minimum distance from dwellings	500 m	Sanitary Norms: CH-245-71
Minimum distance from archaeological sites and cultural monuments	500 m	It is not stipulated in legislation. The criterion is based on the experience of similar projects from other countries
Minimum distance from the protected area	100 – 1.500 m, depending of the protected area type	Law 1538/1998 amended and completed later on regarding natural zone funds protected by state
Soil quality – minimum reliability	60 points	Land Code art. 83. The withdrawal of the agricultural terrains of superior quality (evaluation of natural fertility higher than 60 points) from agricultural use in exceptional cases is made according to the Government decision.

In addition to landfill sites, suitable sites for transfer stations, as well as composting and sorting stations, were identified and analysed. A site selection questionnaire was utilised and the land use change process initiated. In addition, a separate SWM institutional analysis was carried out during the reporting period. This identified waste management institutional models relevant to Moldova.

Work was carried out on three PPCs (feasibility studies and EIAs for SWM zones). As part of this work, progress was made with data collection and waste characterisation studies. In addition, work began on an option analysis for the three waste management zones and data collection began for a further three waste management zones.

In SWM, the point of transition from PPC to VPC (and thus, from Swedish to EU financing) is the approval of a landfill site. In this respect, one project (in South Development Region) is considered to be a VPC and has started to be financed from EU funds.

➤ **Water supply and sanitation**

Prior to the approval of the WSS RSPs in June 2014, the 5th workshop was held in February 2014 to introduce the methodology for project identification and development.

This was followed by consultation workshops in March 2014 for potential applicants of PPCs. Operational meetings with the MRDC were held in April to discuss comments to the RSPs and the list of PPCs, as well as how the list of PPCs would be approved. The information consultation period on the RSPs was launched on 22 April 2014.

RDAs were involved in the evaluation of eligible PPCs and the final list version, including comments on compliance with methodology, will be submitted in the next report period. A local internship program, planned by GIZ, resulted in the placement of two interns within the WSS team. Their work will support the preparation process.

By the end of the reporting period, 45 pre-PPCs were reviewed, including coordination with MRDC (27 June 2014). By December 2014, the final set of 29 PPCs had been analysed and presented for approval to the MRDC. The next step is approval by an Inter-ministerial Commission in the first quarter of 2015.

For WSS, projects are considered to be at the VPC stage when all key elements of a project can be defined – project problem and objective statements, demand, outline project investment costs, current financial and organisational status of operator, expected outcomes of project, initial agreement of main stakeholders on project, and risk analysis. The projects that best meet cost-effectiveness, socio-economic, and environmental criteria will be recommended for further development as VPCs.

The following criteria were agreed with the partner for use in prioritising the projects for development as VPCs:

- Economic efficiency (weight: 0.2);
- Strategic infrastructure (0.15);
- Social impact (0.1);
- Affordability of tariff (0.1);
- Sustainability of operator (0.1);
- Acceptance of regionalisation of services (0.15);
- New connections vis-a-vis rehabilitation of existing systems (0.2).

At least 18-20 projects have been recommended for development as VPCs, 12 of which will be prioritised by the Inter-Ministerial Commission. It is expected that work on 12 VPCs will begin in the first quarter of 2015.

In WSS, the point of transition from PPC to VPC (and thus, from support covered by financial contribution of Government of Sweden to EU financing) is the approval of a list of VPCs by an Inter-ministerial Commission. In this respect, 29 project fiches (PPCs) were developed and 12 projects are recommended for further development with the financing from EU funds.

➤ **Energy efficiency in public buildings**

After approval of the EE RSPs in February 2014, an operational meeting with the MRDC was held in April 2014 to discuss the progress on identifying PPCs. In May 2014, the 4th workshop was held to show a comparison of PPCs by region and how each possible project concept corresponds to the prioritisation criteria set out in the RSPs and PPC methodology. Work was carried out on a methodology describing the process of PPC

identification and prioritisation criteria between April and June (approved by MRDC in June 2014). A total of 33 PPCs were identified using this agreed methodology.

In order to be considered for development by the consultant, the buildings needed to meet the following criteria:

- Utilisation rate: buildings should have an occupancy/usage rate of 50% or have a reasonable prospect of achieving such a level (for example, a school that has been designated as priority by the rayon council for consolidation)
- Type and use of building: must be public buildings, such as education, health, others (elderly homes, administrative, orphanages)
- Public ownership: Buildings must remain in public ownership and will be operated at least for the next 10 years.
- Size: Buildings must have a total heated floor area > 1,500 m²
- Recent projects: Buildings must not have had a thermal refurbishment during recent years (less than 30% of windows replaced, no thermal insulation of walls). Buildings are currently not the subject of any other thermal refurbishment project (e.g. Fund for Energy Efficiency).
- Condition: Buildings are in acceptable technical condition
- Status of building: Buildings are not monuments of architecture
- Demand: Insubstantial decrease (or no change) in the number of users (based on the information provided by institutions and information collected during workshops)
- Buildings are not subject to any other thermal refurbishment project (e.g. Fund for Energy Efficiency).

This process began with an evaluation of a total of 124 possible project concepts. This was further reduced to 64 projects based on correspondence with prioritisation criteria. These projects were further prioritised into two lists of 33 and 31 projects. The 33 projects on the first list – including the projects that best corresponded to prioritisation criteria – were then visited and evaluated.

Data analysis of all 33 PPCs was completed by early June 2014 while draft energy review reports were completed by the end of July 2014. An Inter-ministerial Commission was established by the MRDC on 28 August 2014. An Inter-ministerial Commission session was held on 11 November 2014 and the list of PPCs for further development as VPCs was approved.

For EE, projects are considered to be at the VPC stage when all key elements of a project can be defined – demand, outline project investment costs, expected outcomes of project (contribution to energy savings targets defined in RSP), initial agreement of main stakeholders on project, and risk analysis. The projects that best meet cost-effectiveness, energy savings criteria, and general risk management criteria will be recommended for further development as VPCs. Twenty-four projects were prepared for prioritisation by the Inter-Ministerial Commission on 11 November 2014. After approval, work on 13 VPCs began in November 2014. The List of Viable Project Concepts for Energy Efficiency in Public Buildings is included in the Annex 3.

In EE, the point of transition from PPC to VPC (and thus, from Sida to EU financing) is the approval of a list of VPCs by an Inter-ministerial Commission. In this respect, 33 project fiches (PPCs) were developed and 13 projects recommended for further development for financing from EU funds.

➤ **Regional and local roads**

Work in the RLR sector officially began in February 2014 with a rehearsal meeting at the MRDC for the first workshops during the first week of March 2014. At this workshop, the RLR team presented the concept for development of the RLR RSPs. Coordination meetings were also held with the Ministry of Transport and Roads Infrastructure to explain the aims of and agree the approach for preparation of the RLR RSP.

After a rehearsal at the MRDC in April 2014, the 2nd workshops on development of the RSPs were held in May. Operational meetings were held with the MRDC at the end of June to discuss the development of PPCs in the RLR.

Work continued on the RSPs throughout the period and drafts were delivered to the MRDC and RDAs for informal consultation in October 2014. In addition, a methodology was developed to divide Moldova into cells and identify priority transportation corridors within each cell. These cells and preliminary corridors were transposed to GIS maps and corridor data were processed for RSP preparation. The configuration of cells was approved by the MRDC and MoTRI.

Preliminary work was carried out on the identification of PPCs (road corridors), but the final approval of corridors requires consent of the MRDC and MoTRI. Final approval of corridors is expected to be completed in early 2015, as part of the formal public consultation process and formal approval of the RSPs by the RDCs.

For RLR, projects are considered to be at the VPC stage when all key elements of a project can be defined – demand, outline project investment costs, expected outcomes of project (contribution to meeting connectivity targets in RSP), initial agreement of main stakeholders on project, and risk analysis. The projects that best meet cost-effectiveness, socio-economic criteria, and general risk management criteria will be recommended for further development as VPCs. Currently, the list of PPCs has not been agreed as part of the RSP approval process. It is expected that 12 VPCs, covering at least 15 km each, will be developed in 2015.

The current preparation/development status of regional sector programmes, PPCs and VPCs is summarised in the table below:

Table 3: Situation with regional sector programmes, PPCs and VPCs development (as of 31 December 2014)

	Regional sector programmes approved	PPCs developed	VPCs under development
Energy efficiency in public buildings (EE)	3	33 + 66 in pre-fiche format (+ 2 ready to go + 9 “parked” awaiting financing)	3
Solid waste management (SWM)	2	5 (+1) in PPC format	1

	Regional sector programmes approved	PPCs developed	VPCs under development
Water supply and sanitation (WSS)	3	45 possible PPCs reviewed	-
Regional and local roads (RLR)	(3 drafts elaborated)	-	-

The work on the elaboration of the Ready to Go projects in accordance with the Project Development Pathway shall take place in 2015, provided the approval of the RSPs and the list of PPCs and VPCs by national and regional counterparts and availability of funding.

Work stream 3: Capacity Development

The RSPs and project development process have always been accompanied by a series of capacity development activities. In the RLR sector the RSWGs met for 12 workshops (four in each development region) to support the process of RSP development. Some 376 persons attended the workshops, including 90 women. According to the assessment by the participants, the average score of the assessment was 4.2 (maximum score is 5).

The other three sectors have already had their RSPs approved and have started working on VPC development. During the reporting period, the working groups gathered several times in order to progress this process. The SWM RSWG met twice in each region, where 135 people attended the meetings, out of which 55 were women and the average score of the assessment was 4.1 (out of 5). Also in this sector, project working groups were created and gathered already twice. Some 80 participants, 38 of whom are women, attended the meetings and the average score given for the sessions was 4.1 (out of 5).

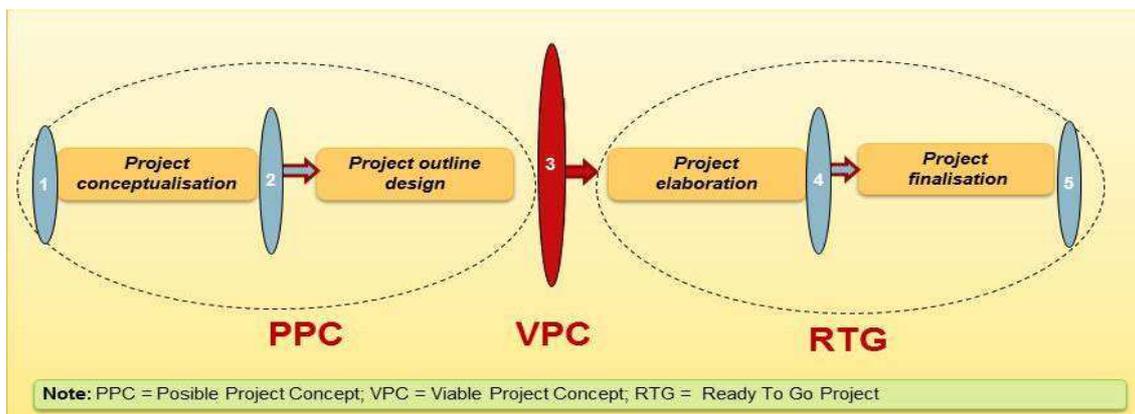
In the WSS sector, the RSWGs gathered three times, with a total of 279 participants, out of which 96 were women. The attendees evaluated the meetings with a score of 4.3 (out of 5).

The RSWGs in the EE sector met three times, with a total of 242 participants attending, out of which 63 were women. The participants evaluated the workshops with a score of 4.2 (out of 5).

During the reporting period a key tool, the Project Development Pathway (PDP) was finalised to underpin the project development process. The PDP is a methodological and practical **tool** designed to assist consultants and project staff to **work through the stages involved in developing a public project in a logical and systematic manner (see the figure below)**.

The PDP is **the framework within which the project pipeline is implemented**. The project pipeline, in turn, is the key process that will be used to implement the investment component of the regional sectoral programmes. The PDP **is being applied to the development of projects in four sectors** covered by the Action. A similar PDP approach has been applied successfully in other countries, including the Czech Republic, Serbia, Bulgaria and Romania. It uses Project Cycle Management and Goal-Oriented Project Planning, but provides a simplified and practical approach to project development for countries facing challenges in strategic planning and especially project identification.

Figure 1: Stages in the Project Development Pathway



A **Possible Project Concept (PPC)** is a project idea that is relevant and consistent with the regional sector programme. In order to be qualified as a PPC, however, a set of basic information about the project must be collected and presented. A subset of PPCs that appear to be the most promising are developed further and may be qualified as a Viable Project Concept (VPC).

A **VPC** is a project idea that has been sufficiently developed that many of its features have become very clear; there is a clear understanding of the results/positive change that the project can bring. Each VPC will also have a project fiche, which is a summary of the main characteristics, as well as expected outcomes and results of a project.

Projects for which feasibility has been demonstrated, but for which financing has not yet been secured, can be termed VPCs at pre-final stage. Unless financing is secured to finalise project preparation, work on projects will not continue past the pre-final stage.

Finally, a **Ready-to-Go Project (RTG)** is a final project proposal that includes all required documentation by the respective potential financier (for example, as required, decisions on ownership and use of all assets, full pre-feasibility or feasibility study and cost-benefit analysis, EIA, conceptual technical design, site investigations and other elements of tender book). The potential donor of the Ready-to-Go project might be obliged according to its internal regulations to produce the full feasibility study, detailed design, and/or other elements of the tender documents. In this case, the MLPS project might handover to the potential donor the respective VPCs at pre-final stage without all or some of the above-mentioned documents.

In addition, approaches have been developed and applied for environmental and gender/social assessment. Environmental safeguard documents were produced for the RLR sector in order to provide tools for compliance with the relevant environmental standards and policies. In SWM, environmental impact assessment is being conducted in line with EU requirements, based on the EIA Directive. In the EE and WSS sectors, checklists were prepared for review of projects.

A methodology for mainstreaming gender and social assessment into the project preparation process was produced (August 2014) and rolled out in the SWM sector. In

October 2014, focus group meetings were held in the Development Region South in the communities in which key infrastructure will be located. This methodology will be rolled out into other sectors as projects enter the VPC stage.

In addition, a Regional Sector Planning knowledge product was produced capturing the lessons learned and best practice.

With respect to capacity development in the **CPSS** area, three Roundtables on “Public-Procurement Opportunities and Obstacles in the Implementation of Investment Projects of Regional Development in the Republic of Moldova” were organised with the attended by around 90 participants, including 27 women. At these roundtables, participants discussed regional development policy and successful EU and local experiences in implementing investments projects, the challenges, requirements and opportunities for SMEs (CCI) in relation to regional infrastructure projects and public procurement, procurement procedures, legal aspects and practical models. The most critical problems cited by participants during the procurement process were identified as:

- Human factors, political orientation;
- The weak competence of local authorities;
- Lack of capacity in developing technical specifications and tender books;
- Difficulties in completing the set of documents;
- The unfair exclusion of offers;
- Personal interests in contract awarding;
- Lack of transparency;
- Difficult application procedures;
- Large set of required documents;
- Corruption;
- Late payment of completed contracts.

The majority of participants (94%) was satisfied with the roundtable quality and its content value (92%). Two-thirds of participants felt that the roundtable met their expectations and that they most liked the discussions and presentations of the RDAs and the basics of the public procurement system and the idea of economic cooperation with public authorities. About two-thirds participated in public procurement projects and 46% of those SMEs that did not participate gave the reason as difficult procedures while 33% named corrupt structures whilst 18% estimated that they lacked potential for tender participation.

Also, a Training of Trainers (ToT) session on public procurement procedures was organised in July 2014 for the representatives of CCI branches, who will be later involved in consulting and training activities to be held in the region. The training focused on the public procurement system in Moldova and the procurement consulting system in Germany, with practical guidelines for participants. Special attention was paid to the practical aspects of the work and activities of the Contract Advisory Agencies in Germany with respect to implementing CCI services in Moldova. Upon completion of the TOT session for 26 participants (13 women, 13 men) certificates were awarded. Some 75% of participants were very satisfied with the seminar and 50% of participants noted that expectations were met. Participants particularly appreciated the organisation and

information material, the quality of the lecturer, the group work, and case studies related to tender documentation.

In cooperation with the RDAs, the Chamber of Commerce and Industry (CCI) initiated the development of a database of sectoral enterprises. Economic operators from this database will be informed regarding capacity development activities.

In order to support the private sector with information material, draft procurement guidelines for the private sector were developed.

Training Seminars (one day) on public procurement and tender procedures were provided by the CCI and its branches and the RDAs for the private sector in October – November in Hincesti, Ungheni, Orhei, Edinet, Soroca, Balti, Cahul, Causeni, and Comrat.

The seminars were provided by CCI and its branches in cooperation with the RDAs for private sector representatives from different localities in the areas of Water Supply and Sanitation, Solid Waste Management, Energy Efficiency of Public Buildings as well as Regional and Local Roads. The main purpose of this activity was to increase access to information regarding public procurement and develop the capacities of the private sector from the regions to enable them to participate in public procurement and to communicate to them the errors in the tender offers submitted to the RDAs.

In December 2014 the **National Working Group workshop** and **3 Regional Working Groups workshops** were organized for discussion and approval of 2015 action plan for CPSS component. The workshops were attended by 34 participants (11 women, 23 men).

Under the initiative **Support to the Academy of Public Administration** (APA) in Strengthening the Educational Capacity in Regional Planning, eight students were involved (including five women and three men) for a period of 16 months (February 2013 – May 2014). The students participated in workshops on regional planning in three sectors: EE, SWM, and WSS. Seminars and study visits to pilot projects implemented by RDAs were organised in order to exchange views and to see the stages of implementation of a regional project and the challenges facing the LPAs. These activities helped them to strengthen their capacities in the strategic planning process and to develop master theses. Based on the experience gained, they have prepared their master theses in the regional development policy area. Among the chosen themes are the following: “Tools for improving the local public sector efficiency”, “Regional development policy in Moldova - a premise for the implementation and development of water supply and sewerage sector”, “Integrated strategic planning in the context of the modernization of local public services”, “The contribution of the development cross-border cooperation projects of the northern region”, etc. In the period 2-6.06.2014, students defended their master theses. On 16th June, they were awarded certificates of participation in the initiative. In addition, specialised, ad hoc trainings were provided in regional development to representatives from LPAs and the APA.

In the reporting period, the piloting of the “Regional development” course for Local Public Administration representatives was implemented by Academy for Public Administration.

This course brought together 17 trainers, including 10 women from Academy for Public Administration, Ministry for Regional Development and Constructions, and Regional Agencies for Development. It was a blend of theory and practice, and a good balance was found between different approaches.

The curriculum document, the facilitator's toolbox and the participant's course toolbox, have been elaborated by the working group, which consists of representatives from the MRDC, APA and GIZ.

In the period January – May 2014, APA delivered three training courses on “Regional Development” offered to LPAs I and II. 65 representatives (48% women and 52% men) of level I and II LPAs from the three regions of Moldova, including Chisinau, participated in the training programs. Out of total participants, 26 % of them were from the North region, 22% - from South region and 52% - from Centre region.

On 11 June, a workshop related to the “Regional Development” course was held for 9 trainers, including 7 women. The purpose of this event was to assess the implementation of the course by taking into account the opinion of the participants and trainers, as well as to review the methodology and content. The opinion for this workshop will be taking into consideration at the later implementation of the training course.

During the period July – September 2014, the training materials for “Leadership development in public administration” course were developed (curriculum document, the facilitator's toolbox, and the participant's course toolbox). Based on the developed materials in September 2014 the ToT was organized for 8 trainers from the Academy for Public Administration. The course has a period of 24 hours and will be included into the APA curricula starting with next year. Also in December 2014 the piloting course was organized. For this training course five trainers have been certified, of which four women and one man from Academy for Public Administration.

In the reporting period, APA delivered two training courses on “Regional and local planning and programming” offered to LPAs I and II. About 100 representatives of level I and II LPAs from the three regions of Moldova, including Chisinau, participated in the training programs.

During 21-22 May 2014, MLPS provided support to the MRDC in the organisation of the 4th International Conference on Overcoming Regional Disparities (CORD) - Implementing Regional Development Policies: What are the key factors for success? This conference took place in Chisinau and is the result and follow-up to a series of conferences on Overcoming Regional Disparities, which were organised in cooperation with GIZ and other donors. The first conference took place in Ohrid, Macedonia in 2010, followed by Aranjelovac, Serbia in 2011 and Cetinje, Montenegro in 2012. The focus of the conference was on the identification of key successes and challenges in the implementation of regional development as part of national development policies

The conference was hosted by the Government of the Republic of Moldova and was attended by over 150 participants from over 20 countries from South-Eastern Europe, Eastern Partnership and Central Asia, making this a unique forum for exchange of experiences related to the development of regions, including best practices and lessons learned, among the decision-makers and practitioners. The materials for this event can be found on: www.serviciilocale.md. Media clippings of the conference are also included in Annex 4 of this report.



Other activities covered by EU funds include: Study Visit to Estonia on SWM; a RBM workshop in Germany; and other ad hoc trainings and seminars related to regional development issues.

2.2. Information on expenditures actually committed and incurred

As foreseen in the Delegated Agreement, the total budget of the Action (PRDP Component 2 – Regional Planning and Project Pipelines for Development Regions North, South and Centre) constitutes EUR 5 million. In addition to the EU resources, the MLPS project, IA 2 Regional Planning and Programming is also co-financed by the Government of Sweden and the Government of Germany. The synergy between the Swedish, German, Romanian and EU funding/support is shown below.

Table 4: Description of work streams within funding sources

Work streams/ Sector	Regional Sector Planning and Programming (1)		Project Development and RSP Implementation (2)			Capacity Development, including cross-cutting areas (3)		
	Swedish Government	German Government	Swedish Government	German Government	EU – PRDP-C2	Swedish Government	German Government	EU – PRDP- C2
Water and sanitation	Swedish Government	German Government	Swedish Government	German Government	EU – PRDP-C2	Swedish Government	German Government	EU – PRDP- C2
Solid Waste Management	Swedish Government	German Government	Swedish Government	German Government	EU – PRDP-C2	Swedish Government	German Government	EU – PRDP- C2
Energy Efficiency in Public Assets	Swedish Government	German Government	Swedish Government	German Government	EU – PRDP-C2	Swedish Government	German Government	EU – PRDP- C2
Regional and Local Roads	EU-PRDP-C2		EU-PRDP-C2			EU-PRDP-C2		
Complementary private sector support	EU-PRDP-C2		N/A			EU-PRDP-C2		

Note: As mentioned in the Inception Report, in the CPSS area, regional planning has been carried out following a different approach from the RSP.

As per provisions of the Delegated Agreement, expenditures committed for the reporting period constituted EUR 2,305,529.00. Until 31.10.2014, expenditures incurred under this Action amounted to EUR 1,517,738.94 and by 31.12.2014 this amounted at EUR 2,083,018.84 (the details are included in Annex 7). A summary of the expenditure incurred is presented in the table below.

Table 5: Summary of expenditures incurred until 31.12.2014 and budget forecast until December 2015

Budget line	Cost (in EUR)	% of total	1 st Tranche	Expenditures incurred until 31.12.2014	% of total of 1 st Tranche	Budget forecast until Dec 2015
Human resources	4,153,000.00	83.06	1,908,200.00	1,668,688.05	87.4	2,439,311.95
Other expenses	847,000.00	16.94	397,329.00	414,330.79	104.3	424,279.21
Total	5,000,000.00	100.00	2,305,529.00	2,083,018.84	90.3	2.863.591.16

The budget forecast until December 2015 includes the outstanding amount from 1st tranche (EUR 222,510.16) and the request for payment based on forecasted pre-financing (EUR 2,641,081.00).

3. Difficulties encountered and measures taken to overcome problems

The process of developing RSPs has been characterised by a relatively high level of participation and public consultation, as well as effective collaboration at local, regional and national levels, and between the relevant ministries. It should be noted that the initial involvement of the partners deepened during the regional sector planning and programming process, progressing from a largely "reactive" to a "participatory" one.

However, during the implementation of the IA 2 activities, certain challenges were observed as well, including:

- The Regional Sector Programmes identify various proposals for necessary reforms towards more conducive framework conditions for coherent and coordinated implementation. This requires a substantial increase in structured policy dialogue within, and between, the involved line ministries and national agencies.
- The RSP implementation requires medium-term financial planning within a more strategic approach, both in relation to the existing national funds, as well as with respect to the support provided by Moldova's development partners.
- Approval of the PPC list of projects to be advanced to the VPC phase was done during the inter-ministerial commissions, which were recently created. This

created delays in the process of progressing projects to the VPC and RTG stages. It requires close cooperation with the relevant ministries and coordination of activities with the ministries and PPC applicants.

- At the operational level, changes in the consultancy team management structure (the GOPA consortium) created delays in implementing activities. Improvement actions were taken in this regard by MLPS management.

A recent development is the channelling of EU budget support towards rural development through the Ministry of Agriculture and Food Industry. This presents a significant challenge to the sustainability of regional development policies, programmes and projects implemented by the Government of Moldova and supported by the GIZ/MLPS project. Regional sector planning and programming – an identified priority modality for economic development in Moldova – will require significant financial resources to meet identified needs.

It should also be noted that in November 2014 elections were held and in mid-2015 local elections will take place. Thus, the subsequent months will likely witness a slowdown in government activity as the process of forming the next government unfolds. In addition, it is possible that the new government may embark on widespread reform with respect to the structure of local government. That being the case, it may well mean that progress in completing the development of projects slows down in 2015. If these events do lead to a slowdown in project activities, the possibility of a no-cost extension of the project into 2016 may be considered.

4. Changes introduced in implementation

In accordance with the Inception Report submitted by GIZ to the Delegation of European Commission in the Republic of Moldova in March 2014, the main changes introduced were in relation to project development and CPSS.

The Inception Report established updated targets and indicators for Intervention Area 2, specifically:

- **Project development will continue up to the end of stage 3 (Viable Project Concept) and will not proceed further unless, and until, a financing promise is in place.** Because each donor and financing body has its own specific requirements and expectations for project development and project preparation documents and agreements have a limited period of validity, it would not be prudent fully to prepare a project (including all permits, designs, tender book) for which financing has not been identified. Only in cases where financing for a given project is put into place and agreed, will a project (VPC) be progressed beyond “elaboration” (i.e. Stage 3). Projects at the end of Stage 3 are considered to be “VPCs at pre-final stage”, i.e. awaiting financing commitments before being progressed through the finalisation stage of full technical design and tender book.

- **The total target value of projects developed up to the end of stage 3 is EUR 102.9 million.** If and when a financing promise is in place, a given project will be further developed to the “ready-to-go” stage. The work still to be done will include: full technical design, tender book, and obtaining final authorizations (for example, from state inspectorates). Given the participatory nature of the implementation of the MLPS project and due to the fact that specific, innovative regional sector planning and project identification methodologies are developed and implemented in practice, changes have occurred in project implementation that affect the overall project work plan. Two key changes in implementation were introduced in line with agreements between the MRDC and GIZ experts on the process, methods, and criteria for approval of projects in the pipeline.

First, the modality for approval of the priority list of PPCs for further development as VPCs was agreed. Once the full list of PPCs has been agreed with the MRDC, and a portion of those PPCs developed in more detail, an Inter-ministerial Commission is convened to decide which projects should be further developed. A total of 12 such Commissions were established by ministerial order on 28 August 2014 – one per sector and region.

Second, it was originally planned that project working groups (PWGs) would be established per PPC at an early stage of project development. It quickly became clear that this would overtax the capacity of the RDAs to organise participate in PWG meetings, not to mention that of the GIZ experts. For example, there would need to be some 33 EE, 31 WSS, 6 SWM, and possibly up to 26 RLR PWGs. To that end, it was decided together with the MRDC to establish PWGs only for VPCs. Up until this stage, informal, written commitments were obtained from project beneficiaries. This approach has the added advantage that it does not raise expectations that all PPCs will be developed toward the ready-to-go stage given the limited resources for project development and the still limited capacity of the RDAs to monitor and manage the preparation of a large number of infrastructure projects.

In terms of the changes in the work planning for regional planning and project development, it was decided with the counterparts to plan the activities around 3 main work streams: Regional Sector Planning; Project Development and RSP Implementation; and, Capacity Development (as part of the revised Results-based Model of MLPS). This, however, does not have substantive implications on the agreed commitments under this Action. The tables in the following section (and the work plan in Annex 1) present the proposed target outputs.

In relation to the CPSS, at the MLPS Steering Committee in February 2014, the MRDC confirmed its view that, at this stage, economic development per se should not be a core part of RD and therefore there should be no Regional Sector Plan and project pipeline in this area (business development). Instead, MRDC expressed support for a more pragmatic approach which would involve mobilisation of interested companies with regards to capacity development for companies, taking account of likely business opportunities that will arise in the medium-term from public investment in the sectors the MLPS is involved.

5. Achievements/results by using the indicators included in this Agreement

In accordance with the project proposal covered by the Delegated Agreement, the Action proposed the following expected results:

- Detailed regional plans covering five thematic fields essential to the development of Moldova's regions (water and sanitation, solid waste management, energy efficiency in public buildings, local roads, complementary private sector support of key importance and from these updated regional operational plans for each region (N, S, C);
- Updated regional operational plans for each region where RD institutions are in place;
- Validated capacity among responsible bodies relevant to the above results, including capacity to continuously manage a project pipeline; and,
- A pipeline of ready to go, ready to finance and ready to procure projects in the four thematic fields.

As mentioned in previous sections, the development of the 11 RSPs in the 4 thematic areas is completed. The RSPs in SWM, EE and WSS, are approved and approval is pending for the RLR RSPs. In the area of CPSS, 1 National Action Plan and 3 Regional Action Plans were developed and approved by the national and regional working groups on CPSS.

The GIZ/MLPS project has achieved significant progress during the reporting period in several important ways. First, the participatory process of developing regional sector programmes has introduced new methods of project identification, prioritisation, and development in Moldova. This effort has faced obstacles in terms of partner readiness and organisational, informational, and human resource capacities of the RDAs. Overcoming these barriers requires persistent and focused coordination and cooperation with partners. Second, the same process has brought to light persistent institutional practices that need to be openly discussed in order for them to be addressed. For example, in the energy efficiency sector the proposed approach has led to a discussion about how projects financed by national funds are identified and prioritised. In the regional and local roads sector, the regional sector programming effort has led to discussions on the future role of RDAs in project development and management.

Third, despite these obstacles and the opportunities they present, the GIZ/MLPS project has examined around 200 possible project concepts by introducing new ways of considering projects to include institutional, technical, financial, economic and environmental sustainability of projects. Based on these findings, the projects have been filtered and prioritised for compliance with RSPs and general sustainability and feasibility criteria in two sectors (EE and SWM), with the other two sectors to follow in early 2015. The work in all sectors has made it clear that in many cases, the possible project concepts are equivalent to a project fiche (for example, in the SWM and RLR sectors).

Fourth, the work of GIZ/MLPS has brought to the forefront the need to identify potential national and international financing sources for the project pipeline that is emerging. The MRDC, with support from GIZ, will need to re-double efforts to identify financing for project implementation during the next reporting period.

The following tables provide an update of targets, achievements to date and plans for 2015 with respect to preparation of projects in the four sectors.

Table 6: Project Development: Readiness to end of Elaboration Stage (financing not yet secured)

Sector	Documentation	Number of VPCs at pre-final stage	M€ (indicative)
Energy Efficiency	Will include documentation equivalent to feasibility studies according to standards already approved by GIZ Construction Department	13	11.8
Solid Waste Management	Pre-feasibility stage is covered by Regional Plans. Elaboration stage includes Feasibility Study, EIA, Conceptual Design	3	26.1
Water & Sanitation	Elaboration stage includes Feasibility Study, Environmental Management Plan, Conceptual Design	12	25
Regional and Local Roads	Elaboration stage includes Feasibility Study equivalent, Environmental Management Plan, Conceptual Design	12	40
All 4 sectors		40	102.9

It is important to point out that the VPCs in the pre-final stage cannot progress into the finalisation stage to become a RTG project unless a financing source has been unconditionally or conditionally, but formally promised. The finalisation stage will involve full technical design, tender book, and State Inspectorate for the infrastructure for which financing has been promised.

The prospect of financing, however, is not the only factor that determines whether a project should be developed further towards the RTG stage. The first key element that must be in place is a clear ownership structure for use of assets; this must be clarified and formalised in writing. Second, support for the project and its sustainability need to be agreed in writing by the relevant project promoters (LPAs, line ministries, etc., as appropriate).

Table 7: Project Development: Detailed outputs per sector – EE

	Number	M€ (indicative)	Estimated date of attainment
Energy Efficiency			
PPCs	33	29.7	Q2-14
PPCs approved for development as VPCs by Inter-ministerial Commission	13	11.8	Q4-14
VPCs at pre-final stage (first group)	3	2.7	Q1-15
VPCs at pre-final stage (second group)	5	4.5	Q2-15
VPCs at pre-final stage (third group)	5	4.5	Q4-15
Sub-Total	13 VPCs at pre-final stage	11.8	By Q4-15
<p>Notes: In the EE PB sector, VPCs are developed in three groups of three, five, and five projects, respectively. Projects will be brought to stage of ready-to-go, only if financing is identified in advance. Otherwise they will be “parked” at end of the “elaboration stage” (end of VPC stage, or stage 3.9) awaiting “finalisation phase”, subject to promise of financing. If it is possible to continue with finalisation, the work would comprise primarily of full technical design of infrastructures for which financing has been secured and tender book elaboration, as well as obtaining relevant State Authorisations.</p>			

Table 8: Project Development: Detailed outputs per sector – SWM

	Number	M€ (indicative)	Estimated date of attainment
Solid Waste Management			
PPCs	6 (North, Centre, South)	70.9	Q1 -14
PPCs approved for development as VPCs (at RSP stage)	3	26.1	Q1-14
VPC at pre-final stage	1	8.7	Q1-15
VPCs at pre-final stage	2	17.4	Q4-15
Sub-Total	3 VPCs at pre-final stage	26.1	By Q4-15
<p>Notes: In the SWM sector, VPCs are developed in two groups of one and two projects, respectively. This is due to the fact that the landfill site identification process is ongoing for two projects and the MLPS project experts have determined that a project cannot be considered a full VPC in the SWM sector unless and until a suitable landfill site has been agreed and approved. A landfill site was agreed and approved in the DR South, but this process is ongoing in the other two projects identified as priority for development as VPCs. Projects will be brought to stage of ready-to-go, only if financing is identified in advance. Otherwise they will be “parked” at end of the “elaboration stage” (end of VPC stage, or stage 3.9) awaiting “finalisation phase”, subject to promise of financing. If it is possible to continue with finalisation, the work would comprise primarily full technical design of infrastructures for which financing has been secured and tender book elaboration, as well as obtaining relevant State Authorisations.</p>			

Table 9: Project Development: Detailed outputs per sector – WSS

	Number	M€ (indicative)	Estimated date of attainment
Water Supply and Sanitation			
PPCs	33	70	Q3-14
PPCs approved for development as VPCs by Inter-ministerial Commission	12	25	Q1-15
VPCs at pre-final stage	12	25	Q3-15
Sub-Total	12 VPCs at pre-final stage	25	By Q4-15
<p>Notes: In the WSS sector, projects will be brought to stage of ready-to-go, only if financing is identified in advance. Otherwise they will be “parked” at end of the “elaboration stage” (end of VPC stage, or stage 3.9) awaiting “finalisation phase”, subject to promise of financing. If it is possible to continue with finalisation, the work would comprise primarily full technical design and tender book elaboration as well as obtaining relevant State Authorisations.</p> <p>There is a need for Inter-ministerial approval of the list of VPCs before work can commence on them. The Inter-ministerial Commissions were established on 28 August 2014 and the actual session of this Commission for WSS is planned for January 2015.</p>			

Table 10: Project Development: Detailed outputs per sector – RLR

	Number	M€ (indicative)	Estimated date of attainment
Regional and Local Roads			
PPCs	26 x 15 km (400km)	90	Q4-14
PPCs approved for development as VPCs by Inter-ministerial Commission	12 x 15 km (180km)	40	Q2-15
VPCs at pre-final stage	12 x 15 km (180km)	40	Q3-15
Sub-Total	12 VPCs at pre-final stage	40	By Q4-15
<p>Notes: In the RLR sector, the number of PPCs is equal to the number of regional and local road corridors identified as part of the Regional Sector Programmes. Projects will be brought to stage of ready-to-go, only if financing is identified in advance. Otherwise they will be “parked” at end of the “elaboration stage” (end of VPC stage, or stage 3.9) awaiting “finalisation phase”, subject to promise of financing. If it is possible to continue with finalisation, the work would comprise primarily full technical design of infrastructures for which financing has been secured and tender book elaboration, as well as obtaining relevant State Authorisations.</p>			

Table 11: Project Development: Totals for all sectors

	Number	M€ (indicative)	Estimated date of attainment (according to last sector to attain result)
All sectors			
PPCs	98	260.6	Q2-15
PPCs approved for development as VPCs by Inter-ministerial Commission	40	102.9	Q2-15
VPCs at pre-final stage	40	102.9	By Q4-15
Total (all sectors): end of Stage 3.9	40	102.9	By Q4-15

With reference to the capacity development outputs, a total of more than 1,100 representatives of 3 RDAs, MRDC and other lines ministries, LPAs, CCI, SMEs and other institutions participated at the capacity development activities organised within this Action.

6. Visibility

GIZ recognises the potential of the entire MLPS project and its EU co-financed Regional Planning and Programming Area of Intervention to promote the visibility of the actions of the EU and its member states in support of the reform and EU integration process of the Republic of Moldova. The EU supported Action intervenes at a critical moment in Moldova's relationship with the EU, as well as to its wider neighbours. GIZ is committed to exploring synergies with wider EU communications approaches beyond the strict requirements of the Delegated Agreement.

GIZ adheres to the EC visibility guidelines as laid down in the EC regulation and in Article VII "Visibility and ex-post publication" of the General Conditions to the Delegation Agreement and the Communication and Visibility Manual for EU External Actions from April 2008.

All MLPS materials (website, leaflets, print and web banners) are being regularly updated with recognition of the EU co-financing. RDAs informed the media on the activities carried out as part of this Action (See Annex 5 for a list of media clippings related to this Action). Another newsworthy occasion, exploited well, was the Fourth International Conference on Overcoming Regional Disparities (CORD), co-funded by the EU. The recognition of this contribution was marked on all conference promotional materials, including the dedicated website <http://cord2014.md/>, so as the press-releases, generously taken by national media (see Annex 4 for media clippings in relation to the CORD conference).

As part of the communication and visibility plan, MLPS drafted an awareness-raising Brief on EU integration benefits, with a focus on regional development projects (Annex 6). The Brief was consulted and approved by MRDC/RDAs. The next stages are the

selection by open tender of the media company who will produce the media pieces and then the implementation phase. The broadcast will be postponed for 2015, in order not to be associated with the political messages accompanying the general election campaign.

The support of the EU for this Project within the wider “Modernization of Local Public Services” project is, and will continue to be, clear to stakeholders and the wider public.

7. Information on the Action monitoring, control and audit measures to which the Delegatee body itself has been subjected

The implementation of the Action has been continuously monitored during the reporting period in accordance with the GIZ rules and procedures on Results-based Monitoring and Evaluation. The progress achieved, challenges faced and the recommendations for the necessary changes were presented at three steering committee meetings held during the reporting period. The MLPS progress reports are available on www.serviciilocale.md.

Also, during February, 2014, MLPS project was subject to mid-term review. The final findings and recommendations were presented to counterparts at one of the MLPS steering committee meetings organised during the reporting period.

Although this Action is not subject to audit and special controls, GIZ has contracted KPMG to carry out an external audit on the implementation of pilot projects implemented under IA 1. Also, an internal control of the MLPS project implementation from the administration/accounting perspective was undertaken by the GIZ Country Office from Kiev. In this context, no major allegations were observed during both, the external audit and internal control representatives. Both reports with the main findings and recommendations for improvements are available with the MLPS Project.

8. Overall financial statement providing an account of the use of the funds transferred to the Delegatee body

The overall financial statement is presented in Annex 7, attached in separate file.

9. Work plan for the period January - December, 2015 year

The work plan for the next reporting period January - December 2015 is presented in Annex 1.

Annexes

Annex 1: Work Plan for the period January - December, 2015

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
1	Work stream 1: Regional Sector Planning							
1.1	Energy efficiency in public buildings (EE): task accomplished in 2014							
1.2	Solid waste management (SWM): task accomplished in 2014							
1.3	Regional and local roads (RLR)							
1.3.1	Public consultation process on RPS in RLR is conducted	x				RDA	MRDC, GIZ	LPAs, civil society, business sector
1.3.2	3 RSPs for RLR in each regional are approved	x				RDCs	GIZ	RDA, LPAs, civil society, business sector
1.4	Water supply and sanitation (WSS): task accomplished in 2014							
Note:	Once RSPs are approved, the only remaining activities under work stream 1 are the periodic reviews of the RSP Action Plans by the RSWGs. These are covered under work stream 3 at RSWG meetings.							
1.5	Complementary Private Sector Support (CPSS)							
1.5.1	4 Quarterly Sessions of RWGs are organised	x	x	x	x	RDA	GIZ	CCI, GIZ/sequa, Patronates National Confederation, Private Sector Representatives of RDCs

1.5.2	2 sessions of the National Working Groups (one in 6 months) are organised		x	x		RDA	GIZ	CCI, ODIMM, MoF, APP, Patronates National Confederation, Private Sector Representatives of RDCs, AEE, MTRI GIZ/sequa
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No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
2	Work stream 2: Project Development/RSP Implementation							
2.1	Energy efficiency in public buildings (EE)							
2.1.1	PPC development: accomplished in 2014							
2.1.2	VPC development Q4/2014 - Q4/2015 - 13 VPCs in 3 groups (3+5+5)							
2.1.2.1	Group 1 (3 projects)							
	3 projects are completed up to end of VPC stage (Conceptual design, VPC report Group 1)	x		x		RDA/GIZ	Project Working Group (PWG)	Rayon council (RC); LPA 1 & 2; specialized institutions; PWGs
	3 PWG agreements are signed (1 for each project)	x				RDA	GIZ	RC
	Progress report on VPC completion Group 1 are drafted and submitted	x				GIZ		

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders	
2.1.2.2	Group 2 (5 projects)								
	5 projects are completed up to end of VPC stage (Conceptual design, VPC report Group 2)	x	x	x		RDA/GIZ	Project Working Group (PWG)	Rayon council (RC); LPA 1 & 2; specialized institutions; PWGs	
	5 PWG agreements are signed (1 for each project)		x			RDA	GIZ	RC	
	Progress report on VPC completion Group 2		x			GIZ			
2.1.2.3	Group 3 (5 projects)								
	5 projects are completed up to end of VPC stage (Conceptual design, VPC report Group 3)	x		x	x	RDA/GIZ	Project Working Group (PWG)	Rayon council (RC); LPA 1 & 2; specialized institutions; PWGs	
	5 PWG agreements signed (1 for each project)				x	RDA	GIZ	RC	
	Progress report on VPC completion Group 3 are drafted and submitted				x	GIZ			
2.1.3	VPC at pre-final stage/RTG development Q4/2014 - Q4/2015								
2.1.3.1	Group 1 (3 projects)								
	Preliminary financing agreement or equivalent is signed for Group 1	x				MRDC	GIZ	RC, RDA, line ministries	
	ToR for a design company prepared	x				GIZ			
	Final design and tender book Group 1 is developed		x	x	x	RDA	GIZ	RC	

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
	Group 1 of projects is approved by authorities				x	Rayon Council, RDA		MRDC
	Group 2 (5 projects)							
2.1.3.2	Preliminary financing agreement or equivalent is signed for Group 2			x		MRDC	GIZ	RC, RDA, line ministries
	Final design and tender book Group 2 is developed			x	x	RDA	GIZ	RC
	Group 2 of projects is approved by authorities				x	Rayon Council; RDA		MRDC
	Group 3 (5 projects)							
2.1.3.3	Preliminary financing agreement or equivalent is signed for Group 3				x	MRDC	GIZ	RC, RDA, line ministries
2.2	Solid waste management (SWM)							
2.2.1	PPC development: accomplished in 2014							
2.2.2	VPC development Q4/2014 - Q4/2015 - 3 VPCs (candidate projects) in the waste management zones South (S), Centre (C) and North (N)							
2.2.2.1	List of priority projects for development as VPCs is approved	x				MRDC	GIZ	Line ministries, IM Commission
	SWM zone South							
2.2.2.2	1 EIA report for SWM zone in South DR is completed	x	x			RDA, LPA	GIZ	RDA, LPA, MoEnv

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
	1 feasibility study - draft and final - for SWM zone in South DR is completed	x	x			PWG/GIZ	MRDC	RDA, LPA, MoEnv, MoF
	1 feasibility study for SWM zone in South DR is approved		x			MRDC		MoEnv
	SWM zones Centre and North							
	2 reports on site selection (1 for each zone) are completed		x			GIZ	MRDC	Line ministries
2.2.2.3	2 EIA reports for SWM zones in North and Centre DR (1 for each) are completed		x	x		RDA, LPA	GIZ	RDA, LPA, MoEnv
	2 feasibility studies - draft and final - for SWM zones in North and Centre DR (1 for each zone) are completed		x	x		PWG/GIZ	MRDC	RDA, LPA, MoEnv, MoF
	2 feasibility studies for SWM zones in North and Centre DR are approved				x	MRDC		MoEnv
2.2.3	VPC at pre-final stage/RTG development Q4/2014 - Q4/2015							
	SWM zone South							
	Preliminary financing agreement or equivalent are signed for South DR		x			MRDC	GIZ	MoEnv, MoF
2.2.3.1	1 awareness raising programme is updated			x	x	RDA	GIZ	LPAs
	1 set of final design and tender book is completed			x	x	RDA	GIZ	LPAs
	1 set of authority approvals is obtained				x	RDA	GIZ	MRDC, MoEnv

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
2.2.3.2	SWM zones Centre and North							
	Preliminary financing agreement or equivalent is signed for Centre DR and North DR				x	MRDC	GIZ	MoEnv, MoF
2.3	Regional and local roads (RLR)							
2.3.1	PPC development Q4/2014 - Q4/2015 - 18 PPCs							
2.3.1.1	Configuration of priority corridors is approved (as part of RSPs)	x				GIZ/RDC	MRDC	MoTRI
	List of PPCs is prepared	x				GIZ	MRDC	MoTRI, LPA 2
	List of PPCs is approved		x			MRDC	GIZ	MoTRI, IM Commission
2.3.2	VPC development Q4/2014 - Q4/2015 - 12 VPCs (candidate projects)							
2.3.2.1	12 inventory survey reports are completed	x	x			PWG/GIZ	RDA, MRDC	MoTRI, LPA 2
	12 pre-feasibility assessment (VPC) reports are completed		x	x		PWG/GIZ	RDA, MRDC	MoTRI, LPA 2
	1 VPC list is prepared			x		GIZ	MRDC	MoTRI
2.3.2.2	12 project fiches (VPCs) are updated			x		GIZ	MRDC	MoTRI, LPA 2
2.3.3	VPC at pre-final stage/RTG development Q4/2014 - Q4/2015							
2.3.3.1	Preliminary financing agreement or equivalent is signed				x	MRDC	GIZ	MoTRI, MoF

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
2.3.3.2	ToR for a design company is drafted and approved or launched for tendering				x	GIZ	MRDC, RDA	
2.4	Water supply and sanitation (WSS)							
2.4.1	PPC development: accomplished in 2014							
2.4.2	VPC development Q4/2014 - Q4/2015 - 12 VPCs (candidate projects)							
2.4.2.1	Agreement on feasibility studies' contents and requirements is reached	x				GIZ	MRDC	
2.4.2.2	Inter-ministerial approval is obtained for list of PPCs to be developed as VPCs	x				MRDC	GIZ	IM Commission
2.4.2.3	12 feasibility studies, incl. conceptual design -draft and final – are completed	x	x	x	x	PWG/GIZ	RDA, MRDC	LPA, MoEnv
	12 sets of authority approvals are obtained				x	RDA		MRDC, MoEnv
2.4.3	VPC at pre-final stage/RTG development Q4/2014 - Q4/2015							
2.4.3.1	Preliminary financing agreement or equivalent is signed for up to 12 projects				x	MRDC	GIZ	MoEnv, MoF
2.4.3.2	ToR for a design company is drafted and approved or launched for tendering				x	GIZ	MRDC, RDA	

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
3	Work stream 3: Capacity Development							
3.1	Capacity development							
3.1.1	Energy efficiency in public buildings (EE)							
3.1.1.1	6 EE RSWG meetings are organised and carried out (+3 in the last quarter of 2014)	x			x	RDA	GIZ	RDA, line ministries, LPA 1, LPA 2, rayon energy managers
3.1.1.2	23 EE PWG meetings are organised and carried out (+3 meetings in the last quarter of 2014)	x		x	x	RDA	GIZ	RDA, line ministries, LPA 1, LPA 2, rayon energy managers
3.1.2	Solid waste management (SWM)							
3.1.2.1	6 SWM RSWG meetings are organised and carried out	x		x		RDA	GIZ	LPA 2, line ministries, LPA 1 from rayon centers
3.1.2.2	9 SWM PWG workshops are organised and delivered (+1 in the last quarter of 2014)	x	x	x		RDA	GIZ	LPA 1 and 2, line ministries, territorial state ecological inspectorates

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
3.1.3	Regional and local roads (RLR)							
3.1.3.1	6 RLR RSWG meetings are organised and carried out	x	x			RDA	GIZ	LPA 2, MoTRI, SRA
	3 RLR RSWG meetings are organised and carried out		x	x		RDA	GIZ	LPA 2, MoTRI, SRA
3.1.3.2	12 RLR PWG meetings are organised and carried out		x	x	x	RDA	GIZ	SRA, LPA 2
3.1.3.3	3 RDCs meetings are held for approval of RSPs	x				RDCs	GIZ	LPAs, civil society, business environment
3.1.4	Water supply and sanitation (WSS)							
3.1.4.1	6 WSS RSWG workshops organised and conducted (+3 in the last quarter of 2014)	x	x			RDA	GIZ	LPA 2, line ministries
3.1.4.2	24 WSS PWG meetings is organised and carried out		x			RDA	GIZ	LPA 2, line ministries
3.1.4.3	9 WSS PWG workshops is organised and carried out	x	x		x	RDA	GIZ	LPA 2, line ministries
3.1.5.	Complementary Private Sector Support (CPSS)							
3.1.5.1	Database with the sectorial enterprises in EE, WSS, SWM and RLR is updated systemically	x	x	x	x	CCI	GIZ	Sectorial enterprises

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
3.1.5.2	3 sector (EE, WSS, SWM, RLR) round-tables are organized with the participation of private sector and other relevant institutions involved in public procurements		x	x	x	CCI	GIZ	RDAs, MDRC, AEE, LPAs, MoEnv, MTRI
3.1.5.3	2 training modules for private sector are organized (total of 18 seminars)		x	x		CCI	GIZ	RDAs, APP, expert PP
3.1.5.4	2 TOTs for the CCI consultants in public procurements are delivered	x			x	CCI	GIZ	RDAs, APP, expert PP
3.1.5.5	2 study visits with participation in the relevant thematic exhibitions are organized	x	x	x	x	CCI, sequa		MRDC, RDAs, AEE, MoEnv, CCI and its branches, private sector, APP, MoF
3.1.5.6	Awareness and information materials are developed and disseminated	x	x	x	x	CCI	GIZ	RDAs, MRDC
3.2.	Other Cross-Cutting Capacity Development Activities							
3.2.1	Regional sector planning (RP)							
3.2.1.1	1 knowledge product on project development pathway is developed	x				GIZ	MRDC	APA, RDA
3.2.1.2	1 knowledge product on social and gender mainstreaming is developed			x	x	GIZ	MRDC	APA, RDA
3.2.1.3	1 information leaflet on the RSP process is developed	x				GIZ	MRDC	APA, RDA
3.2.1.4	1 information leaflet on the PDP process is developed			x		GIZ	MRDC	APA, RDA

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
3.2.1.5	1 training needs note for the new technical organization units is developed				x	RDA	GIZ	Regional operators/ service providers
3.2.1.6	7 trainings on local and regional developed/ planning and programming are provided by AAP	x	x		x	AAP	GIZ	RDAs, MRDC, LPAs
3.2.2	Project development and project pipeline management							
3.2.2.1	1 workshop on project pipeline development is carried out	x				GIZ	MRDC	RDAs
3.2.3	Donor coordination during the project pipeline development							
3.2.3.1	VPC profiles and presentations are prepared and presented	x	x	x	x	MRDC	GIZ	IFI/donor community
3.2.3.2	Regular donor coordination meetings are carried out	x	x	x	x	MRDC	GIZ	IFI/donor community
3.2.2.3	Applicable processes, procedures and regulations for IFI financing of pipeline VPCs are discussed and agreed	x			x	MRDC	GIZ	IFI/donor community
3.2.2.4	Donor conference is held			x		MRDC	GIZ	IFI/donor community
3.2.4	Technical standards and regulations during the project pipeline development							
3.2.4.1	Applicable technical standards and normatives are coordinated and agreed	x		x		MRDC	GIZ	Line ministries, agencies, IFI/donor community

No.	Output/milestone	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Responsible	Support by	Key stakeholders
3.2.4.2	Applicable price basis are coordinated and agreed	x		x		MRDC	GIZ	Line ministries, agencies, IFI/donor community
3.2.5	Horizontal regional sector planning							
3.2.5.1	Regional Sector Planning and Programming paper summary is updated	x			x	GIZ	MRDC	
3.2.5.2	Documentation of regional sector planning activities are prepared	x	x	x	x	GIZ	MRDC, RDA	LPAs, PWG
3.2.5.3	Study tours to share experiences and best practices are organized	x	x	x		GIZ	MRDC	RDAs, LPAs
3.2.6	Gender and social mainstreaming							
3.2.6.1	3 trainings on "Social and gender action plan" are delivered				x	GIZ	MRDC	RDAs
3.2.6.2	1 training on "Social and gender action plan" is delivered		x			GIZ		
3.2.6.3	Final report on gender and social tools is developed	x	x	x	x	GIZ	RDAs	LPAs

Annex 2: Potential landfill locations in the Solid Waste Management Zones of Development Regions of the Republic of Moldova

Development region WMZ/ Locations	DR North, WMZ 2	DR Centre, WMZ 2	DR South, WMZ 3
1.	Briceni town -(former sugar processing plant), Briceni rayon	Pirlita – site of the existing dumpsite, Ungheni rayon;	Cahul – existing dumpsite, Cahul rayon;
2.	Lipcani – existing dumpsite, Briceni rayon;	Zagarancea – site of the existing military polygon, Ungheni rayon;	Baimaclia – former cattle farm area, Cantemir rayon;
3.	Hincauti – 1 – pasture area at the border with Rotunda village, Edinet rayon	Cetireni – site of the existing dumpsite, Ungheni rayon;	Tartaul de Salcie – degraded pasture area, Cahul rayon
4.	Hincauti – 2 - former cattle farm, Edinet rayon;	Bahmut – degraded pasture area, Calarasi rayon;	
5.	Cepeleuti - 1 – site near the lake, Edinet rayon,	Sipoteni – degraded pasture area, Calarasi rayon;	
6.	Cepeleuti – 2 – site at the border with Corestauti village, Edinet rayon,	Nisporeni – site of the existing dumpsite, Nisporeni rayon;	
7.	Cepeleuti - 3 – site close to forest area, private land, Edinet rayon	Floritoaia Veche – degraded pasture area, Ungheni rayon.	
8.	Ruseni – degraded pasture are, Edinet rayon;		
9.	Hincauti –3 - degraded pasture area, Edinet rayon;		

Development region WMZ/ Locations	DR North, WMZ 2	DR Centre, WMZ 2	DR South, WMZ 3
10.	Terebna – 1 – degraded pasture area with remains of old orchard, Edinet rayon;		
11.	Terebna – 2 - degraded pasture are, Edinet rayon;		
12.	Edinet town – degraded pasture area, Edinet rayon;		
13.	Bratuseni – degraded pasture area, edinet rayon;		
14.	Girbova – site of former sugar bit plant, Ocnita rayon;		
15.	Climauti – site of former pork farm, Donduseni rayon.		

Annex 3: List of Viable Project Concepts for Energy Efficiency in Public Buildings

The following 13 Viable Project Concepts (VPC) were approved by Inter-ministerial Commission on 11 November 2014 (estimated investment costs are inclusive of VAT):

- DR North:
 - Falesti Hospital – EUR 949,819
 - Singerei School – EUR 942,826
 - Balti School – EUR 897,791
 - Edinet Hospital – EUR 826,968
 - Riscani School – EUR 1,296,742
- DR Centre:
 - Ungheni School – EUR 1,877,732
 - Soldanesti School – EUR 1,670,082
 - Dubasari School – EUR 956,234
 - Calarasi Hospital – EUR 224,900
 - Straseni School – EUR 649,191
- DR South:
 - Leova School – EUR 1,857,939
 - Stefan Voda Hospital – EUR 876,272
 - Basarabeasca School – EUR 588,108.

Annex 4. List of media clippings related to CORD conference, specifically

<http://mdrc.gov.md/libview.php?l=ro&idc=27&id=2813&t=/Serviciul-de-presa/Noutati/Republica-Moldova-va-gazdui-cea-de-a-patra-editie-a-Conferintei-Internationale-Depairea-disparitatilor-regionale>

<http://adrsud.md/libview.php?l=ro&idc=340&id=2280>

<http://mdrc.gov.md/libview.php?l=ro&idc=27&id=2818&t=/Serviciul-de-presa/Noutati/Implementarea-Politicilor-de-Dezvoltare-Regionala-Care-sunt-factorii-cheie-pentru-succes>

<http://www.gov.md/libview.php?l=ro&idc=436&id=7678>

<http://adrnord.md/libview.php?l=ro&idc=195&id=2130>

<http://adrsud.md/libview.php?l=ro&idc=340&id=2288>

<http://adrcentru.md/libview.php?l=ro&idc=340&id=2234&t=/Noutati/Implementarea-Politicilor-de-Dezvoltare-Regionala-Care-sunt-factorii-cheie-pentru-succes>

<http://unimedia.info/comunicate/valeriu-lazar-suntem-pregatiti-sa-trecem-la-urmatoarea-etapa-de-implementare-a-conceptului-de-dezvoltare-regionala-4319.html>

<http://mec.gov.md/ro/content/valeriu-lazar-suntem-pregatiti-sa-trecem-la-urmatoarea-etapa-de-implementare-conceptului-de>

<http://www.voceabasarabiei.net/index.php/politica/21489-iurie-leanca-reducerea-disparitatilor-intre-regiuni-reprezinta-principiul-de-baza-al-politicii-de-coeziune-pe-care-o-urmeaza-guvernul>

http://www.publika.md/lazar--suntem-pregatiti-sa-trecem-la-urmatoarea-etapa-de-implementare-a-conceptului-de-dezvoltare-regionala_1936911.html

http://www.realitatea.md/oficiali-din-20-de-tari-reuniti-la-chisinau-pentru-discutii-despre-implementarea-politicilor-de-dezvoltare-regionala_3818.html

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http://www.publika.md/moldova-ar-putea-primi-de-la-ue-aproximativ-175-de-milioane-de-euro_1937241.html

<http://tv7.md/ro/social/pana-in-2020-ministerul-constructiilor-isi-propune-ca-in-satele-moldovei-sa-existe-apeduct-si-canalizare/>

<http://www.prime.md/rom/news/economic/item8851/>

<http://mdrc.gov.md/libview.php?l=ro&idc=27&id=2819&t=/Serviciul-de-presa/Noutati/Republica-Moldova-i-Macedonia-opportunitati-de-colaborare-in-dezvoltarea-regionala>

<http://www.ziuadeazi.md/post/dezvoltare-regionala-platforma-pentru-schimb-de-experienta-in-domeniul-dezvoltarii-regionale>

<http://www.moldova.org/cea-dea-patra-conferinta-internationala-privind-dezvoltarea-regionala-pentru-prima-data-organizata-la-chisinau/>

<http://www.ic.md/moldova-se-dezvolta-prin-proiecte/>

<http://www.moldova.org/valeriu-binzaru-moldova-se-dezvolta-prin-proiecte-interviu/>

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<http://adrnord.md/libview.php?l=ro&idc=195&id=1950>

<http://adrnord.md/libview.php?l=ro&idc=195&id=2055>

<http://adrsud.md/libview.php?l=ro&idc=340&id=2185>

<http://adrcentru.md/libview.php?l=ro&idc=340&id=2140&t=/Noutati/Primul-atelier-de-lucru-in-domeniul-planificarii-regionale-in-sectorul-Drumuri-regionale-si-locale-in-Regiunea-de-Dezvoltare-Centru-RDC>

http://comunicate.md/index.php?task=articles&action=view&article_id=7691

<http://www.civic.md/stiri-ong/23846-intreprinderile-mici-si-mijlocii-vor-fi-scolarizate-pentru-a-deveni-mai-competitive-la-nivel-regional.html>

<http://adrnord.md/libview.php?l=ro&idc=195&id=2079>

<http://adrcentru.md/libview.php?l=ro&idc=340&id=2165&t=/Noutati/Intreprinderile-mici-si-mijlocii-vor-fi-scolarizate-pentru-a-deveni-mai-competitive-la-nivel-regional>

<http://chamber.md/ro/nout%C4%83%C8%9Bi/960-imm-vor-fi-instruite-%C3%AE-vederea-elabor%C4%83rii-eficiente-a-ofertelor-pentru-a-participa-la-achizi%C8%9Bii-publice>

<http://adrsud.md/libview.php?l=ro&idc=340&id=2201>

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<http://adrcentru.md/libview.php?l=ro&idc=340&id=2215&t=/Noutati/Al-doilea-atelier-de-lucru-in-domeniul-planificarii-regionale-in-sectorul-Drumuri-regionale-si-locale-pentru-Regiunea-de-dezvoltare-Centru>

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<http://adrsud.md/libview.php?l=ro&idc=340&id=2289>

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<http://adrcentru.md/libview.php?l=ro&idc=340&id=2283&t=/Noutati/Va-fi-desfaurata-o-campanie-nationala-de-comunicare-despre-dezvoltarea-regionala>

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<http://adrsud.md/libview.php?l=ro&idc=340&id=2341>

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<http://adrnord.md/libview.php?l=ro&idc=195&id=2190>

<http://adrsud.md/libview.php?l=ro&idc=340&id=2379>

<http://chamber.md/ro/nout%C4%83%C8%9Bi/1257-%E2%80%9Dprocedurile-de-achizi%C8%9Bii-publice%E2%80%9D-seminar-gratuit-pentru-agen%C8%9Bii-economici>

Annex 6. Brief of the Raising Awareness Campaign ‘Development Cooperation’

1. Context of the campaign

The Ministry of Regional Development and Construction (MRDC) and the Regional Development Agencies (RDAs) together with international partners are undertaking a range of regional and local development projects.

The results of completed projects are already visible, tangible and affect positively, directly and immediately broad categories of people by: creating sanitation services, building water pipes and running water supply, sewage systems, refurbishing locations with tourist potential, etc.

A key element related to the success and continuity of these projects is based in civic activism and the involvement of local communities. Also, the initiation of successful projects depends on the degree of local involvement and the availability of LPAs.

1.1 Communication needs

There is the need to send a clear message to different categories of people to foster cooperation and involvement in ongoing projects and initiating new projects. The campaign also aims to strengthen public confidence in the reform and development and awareness of the need for involvement. In this context, the importance of cooperation with European partners is emphasised.

1.2 Communicational opportunity

The communication campaign initiated by MRDC/RDA can bring a new, fresh and credible argument in the government’s communication efforts for a European vector. The MRDC and RDAs have a broad portfolio of successfully implemented projects and the results are visible and tangible: built or refurbished buildings, rehabilitated roads, water pipes, sanitation systems, refurbished historic sites, business incubators, etc.

2. General objective of the campaign

Encourage local cooperation for the development and implementation of regional development projects

2.1.1 Awareness objectives:

- **Factual:** The remarkable results achieved so far in development projects
- **Value:** importance of cooperation and civic activism for regional development.

2.1.2 Objective to change behaviour:

- Assumption of civic role by citizens in development efforts
- LPAs and RDAs to contact more often as to find out the status of projects and new opportunities for the community
- Recognise and provide confidence and support to projects developed under the branding RDA/MRDC
- Understand the meaning, and adopt in the everyday language, the expression *Regional Development*.

3. Key message of the campaign

- European integration means development cooperation

Main target group:

- Opinion leaders at local, regional and central level
- Rural intellectuals (teachers, doctors, civil servants)
- Entrepreneurs (leaders of associations, SMEs managers, etc.)
- Active people in the LPAs (mayors, councillors, LPA employees)
- Leaders and employees of central and local NGOs
- Average age: 25 +
- Socio-economic level: average, above average
- Education: secondary and higher

Secondary target groups:

- Young people aged between 18 and 25 years established in the city capital, which can multiply the message in their regions of origin

4. The general tone of the campaign:

- Must be serious, but relaxed, to invite collaboration and generate interest.

5. Products to be delivered by the contracted company:

5.1

3 video spots by format:

First part: joint creative concept to convey the message of encouraging cooperation and civic activism; to be remembered and produce emotion. This component will be common in all 3 spots.

Part two: major and concrete achievements in local development (information, filming locations and archival photos and video will be provided by the beneficiary). It must inform and impress. Every spot of the 3 will contain a set of achievements.

5.2

3 audio spots

First part: joint creative concept to convey the message of encouraging cooperation and civic activism

Part 2: major and concrete achievements in local development year (information, filming locations and archival photos and video will be provided by the beneficiary). It must inform and impress. Every spot of the 3 will contain a set of achievements.

5.3

1 graphic layout for large print format - **billboard**

1 graphic layout print format - **poster**

5.4

3 graphical models for **online placement on local portals**

3 graphical models for **placement in Facebook ads network**

3 graphical models for **placement in Odnosslasniki network**

5.5

Landing campaign page which will contain:

A. newsletter subscription option with detailed registration form (age, occupation, location, etc.)

B. video archive page

C. press file with photo archive, information, statistics about projects etc.

D. Integration with social media widgets Facebook, Twitter, Odnosslasniki,

All media will be integrated chromatically and concept.

Annex 7: Financial statement (attached in separate file)