



Joint Integrated Local Development Program Steering Committee Meeting

Minutes no. 10

Date: 21 January 2014, 11.00

Location: Government building, office 538

List of participants

Members:

1.	Victor Bodiu	General Secretary of the Government	National Program Coordinator
2.	Narine Sahakyan	Deputy Resident Representative	UNDP Moldova
3.	Ulzii Jamsran	International Gender Adviser	UN Women
4.	Ole Dahl Rasmussen	Head of Section, Department of European Neighborhood	Ministry of Foreign Affairs, Denmark
5.	Veaceslav Zubcu	Deputy Minister	Ministry of Regional Development and Construction
6.	Tudor Cojocaru	Head of Department	Ministry of Education
7.	Vasile Bulicanu	Head of Department	Ministry of Finance
8.	Vadim Lelic	Mayor of Telenesti town	Telenesti town
9.	Iurie Toma	President of Ungheni rayon	
10.	Iurie Țap	Parliamentary Commission on decentralization and local autonomy	Parliament of the Republic of Moldova

Observers:

11.	Henrik Huitfeldt	Head of Development Cooperation	Embassy of Sweden
12.	Nina Orlova	Senior Programme Officer	Embassy of Sweden

Participants:

13.	Valeria Ieșeanu	Portfolio Manager	UNDP Moldova
14.	Adrian Ionescu	Chief Technical Adviser	JILDP/UNDP Moldova
15.	Mihai Roșcovan	Program Manager	JILDP/UNDP Moldova
16.	Olesea Cazacu	Project Manager	JILDP/UNDP Moldova
17.	Veaceslav Balan	Program Analyst	JILDP/ UN Women
18.	Victoria Cujba	Deputy Director of the Department Decentralization Policies	State Chancellery
19.	Lucia Aprodu	Communication Consultant	JILDP
20.	Constantin Elisei	Project Associate	JILDP

I. Agenda

11.00 – 11.05	Welcome remarks <i>Victor Bodiu, General Secretary of the Government, National Program Coordinator</i>
11.05 – 11.25	Presentation of the JILDP Annual report for 2013. <i>Mihai Roscovan, Programme manager, Veaceslav Balan, Programme Analyst, Lucia Aprodu, Communication consultant, JILDP.</i>
11.25 – 11.45	Presentation of LPA capacity building activities and local development initiatives. Discussions. <i>Olesea Cazacu, Project Manager.</i>
11.45 – 12.05	Work Plan for 2014. Discussions. <i>Adrian Ionescu, Chief Technical Adviser, JILDP</i>
12.05 – 12.10	Transfer of the assets from the JILDP balance to beneficiary institutions. <i>Constantin Elisei, Administrative and Financial Associate.</i>
12.10 – 12.20	Conclusions and approvals <i>Victor Bodiu, General Secretary of the Government.</i>

II. Presentations and discussions:

1. Welcome remarks

Mr. Victor Bodiu welcomed the participants and introduced the new member of the Steering Committee representing the donors – Mr. Ole Dahl Rasmussen, Head of Section European Neighborhood and Russia, Ministry of Foreign Affairs, Denmark. He said that this is both a concluding meeting for the Joint Integrated Local Development Program for 2013 to assess its outcomes, as well as one to discuss the plan for 2014. Mr. Bodiu highlighted the importance of JILDP in supporting the implementation of the decentralization reform and highlighted that the Government continues to need technical assistance in a number of areas, including the piloting of and transition to the new local finance system, capacity building for the LPA and overall support for the implementation of the decentralization reform.

2. Presentation of the JILDP Annual report for 2013

Mr. Mihai Roşcovan presented the report and stated that significant progress was achieved in 2013, including in the area of decentralization. JILDP provided assistance to launch the activity of sectoral working groups that are currently operating in 10 ministries. The main achievements of 2013 were in fiscal decentralization, principally in preparing the amendments to the Law on Local Public Finances – approved by the Parliament. Consequently, the new mechanism will be piloted in Chisinau mun. and in three rayons in 2014. In 2015, the mechanism will be implemented nationwide. Awareness raising seminars on the amended local finance law were held in 26 rayons and over 1200 local officials were trained to elaborate local budgets under the new conditions. In addition, the planned activities were conducted in the 30 target communities of the Program the outcomes of which were presented as well.

Mr. Veaceslav Balan reminded that HRBA and GE is an element that is mainstreamed in all parts and at all levels of the Programme and presented specific progress in this aspect. Under Component 1 the following has been achieved: (a) the development and formulation of proposals on mainstreaming gender and human rights into draft sector decentralization strategies; (b) training of 50 representatives from 20 central authorities on gender mainstreaming of public policies with a focus on sector decentralization strategies; (c) strengthening of CALM Women's Network by sharing experience and strategic planning activities.

In the context of activities at the local level, in the 30 target communities mapping of needs of women and vulnerable groups and their access to public services was carried out, based on which gender mainstreaming in local development strategies, institutional development projects and projects for improvement of local public services was achieved. Mainstreaming was accomplished through mobilization and empowerment of women and vulnerable groups.

Ms. Lucia Aprodu mentioned that, in 2013, communication, while promoting JILDPA's activities, put a particular emphasis on the decentralization reform. The Communication Strategy for Decentralization was completed and a communication team for implementation was assembled. About 70 experts in communication and public relations from CPA and LPA were trained to understand the reform priorities and to communicate about decentralization. The visual identity of the reform was created and its online coverage has been improved. Holding events for the press in the Program's intervention communities (Telenesti, July 2013), covering the issue of local finance and periodical publications are among the communication outputs of the Program.

Ms. Olesea Cazacu presented the main findings and conclusions of the assessment of LPAs capacities and made the link with JILDPA activities planned for 2014. The application of the methodology for assessing the capacities of local public authorities has shown that 25 out of 30 communities have very limited capacities. The main conclusions refer to the lack of institutional development plans, deficiencies in the process of public procurement, and unclear institutional framework for public procurement. Also, the types of grants offered by JILDPA were presented. Olesea Cazacu presented the areas of the 30 grants for strengthening LPAs capacities and of the 20 grants offered for LPAs to improve local services, among which: reconstruction of education and youth infrastructure; modernization of agro-markets; development of social assistance infrastructure; rehabilitation of public lighting; extending water supply; setting up of communal services operators; rehabilitation of road and public space infrastructure.

Summary of discussions

Mr. Victor Bodiu thanked the Program team for presenting the outcomes, which are visible: sector decentralization policies are developed; the working groups are operational; project implementation at local level has started. He asked the members of the Steering Committee to express their views on the above mentioned.

Mr. Ole Rasmussen highlighted two areas with tangible results – amendments to the legal framework (fiscal decentralization, property, etc) and the Inter-municipal cooperation project in Telenesti. As for the third component (local economic development), where there is no visible progress, he proposed to use a pragmatic approach to improve the outcomes and if the lack of progress was due to a issues with the design, adjust the component as needed after due consultation of the stakeholders. The experience of Telenesti or similar models can show how sustainable results can be achieved.

Mr. Vadim Lelic thanked for JILDPA's support and described the evolution and continuing sustainability of the inter-municipal waste collection service. Four thousand waste bins were purchased with support from the National Environment Fund while a processing plant was built in partnership with a Slovak group. The fees collected increased from 1.5-2 thousand lei per month in 2007 to 70-80 thousand lei in 2013.

Mr. Victor Bodiu mentioned that after the numerous discussions regarding the implementation of the Law on Public Finance, the Government is convinced that the new system must be piloted firstly. The LPAs do not have enough administrative capacity, including for an efficient financial management of the local budgets. This concern was also mentioned in the discussions with IMF. It is also important to note that decentralization is a complex endeavor, covering more issues than local finances. LPAs need

direct support and training before proceeding to implement the new public finance system in the entire country.

Mr. Iurie Țap highlighted the importance of JILDP's technical assistance for the sectoral decentralization strategies and the preparation of the legal framework of the reform, without which the reform may fail. Communication and training are equally important. There are issues that still need to be addressed in the implementation of decentralization strategies in property, health, social protection and education. Although not public, there are preparations for an administrative-territorial reform. The analytical basis and the legal framework need to be prepared so that implementation can start after the Parliamentary elections.

Ms. Ulziisuren Jamsran greeted the members of the Committee and expressed her pleasure to reunite with the team and see the progress of the Program. By making reference to the items mentioned under the LPA capacity, she stated that everyone is conscious about the challenges faced by LPAs in delivering municipal and social services (employment, social protection, culture). According to Government Decision no. 661 of 2013, the Joint Information and Service Bureaus (JISBs) were created and launched with support of the Government. At present, there are JISB in 21 of the 32 rayons and, by the end of the year, the rest of the country must be covered by JISB. Mrs. Jamsran asked the team to consider more the possibilities that are created by this platform, which is closely coordinated through the e-Governance Center.

She also reminded of an existing platform created by this Program for attracting additional resources and partners to focus on the key principles of HRBA and GE and to maintain the focus on the human rights perspective – not on what needs to be done, but on the process and way in which clients access services. Human rights/gender mainstreaming and empowerment of women/vulnerable, need to get increasingly imbedded across policy level, across local level, including within the inter-community cooperation and local economic development components. Mrs. Jamsran declared that the Committee members see the need to extend the Program piloting in communities included in the list of the amended Law on Local Public Finance and that it is necessary to take account of how the Program might use the experience of the 30 communities so that the implementation goes as initially planned.

Mr. Victor Bodi mentioned that the Government set the priorities for the second part of the public administration reform, namely in relation to the delivery of public services. Other donors (WB) were invited to create similar platforms such as JISB throughout the country and, together with e-services; they will become more important on the agenda of public administration. At Mr. Bodi's request, the JILDP Report for 2013 was approved.

3. Presentation of the JILDP Work Plan for 2014

Mr. Adrian Ionescu said that, based on shared visions, excellent partnerships were established in 2013 between the State Chancellery, the ministries and the Programme. In 2014, the Program will continue with both components, but with different emphases. Under Component 1, the sector strategies in health, youth and sports, culture, water and sewerage, waste and natural resources will be completed. JILDP will contribute to developing mechanisms for increasing the local revenues and to performance budgeting. JILDP will help the State Chancellery with the M&E of the decentralization reform and with communication. There are some activities that must be conducted this year to achieve better results, but are not covered by the existing funding: piloting the local finance system and preparing the LPAs for the new system and analyzing the options for an eventual administrative-territorial reform (the opportunity window is only open this year!). Within the assistance provided to LPAs, JILDP will continue in all three sub-components: training modules; grants, direct technical assistance; e-governance projects, projects on fighting corruption in education, etc. JILDP will start implementing the IMC projects, will help the LPAs access regional development funds and support local

economic development: improving the business climate and helping men and women launch local business.

Summary of discussions

Mr. Victor Bodi deplored the lack of financial support for the policy component. As declared above, the administrative-territorial reform is an objective that will be achieved after the Parliamentary elections and before the local elections of 2015. Therefore, policy makers need more options for this important reform. Mr. Bodi expressed hope that donors will help with this, even though Moldova is in an electoral year. Mr. Bodi mentioned that together with the WB, a good number of reform projects were planned for this election year. The government is ready to plan and implement also the administrative-territorial reform, even if this topic is not yet ready for public discussion.

Ms. Narine Sahakyan pointed that the year was not easy at all, but we are happy with the results. Ms. Sahakyan requested clarification for some issues: Will the donor coordination mechanism be pursued, and if yes, when will the reform agenda for 2014 be discussed with the donors? When will the Parity Commission convene? As the sector decentralization strategies are all at different stages the international partners are concerned about the delays in approving these documents in education, social welfare, etc. What solution is foreseen for this issue?

Mr. Victor Bodi said that the reforms did not stop there; we have assumed some commitments and are fulfilling them, including the sectoral strategies. In education, the key decentralization elements have been included in the Education Code. The political decision will be made and the Parliament will vote before the end of this Parliament's mandate. In terms of the meeting with donors – there have been bilateral meetings so far. A coordination meeting will be appropriate and will be organized in due time. The Parity Commission will convene when it is necessary.

Ms. Narine Sahakyan mentioned that there is a very small window for implementing a territorial-administrative reform between the Parliamentary elections and local elections (maximum 6-8 months). What support is required? Is there political will?

Mr. Victor Bodi: The government has among its priorities to prepare this reform and will try to carry out the necessary analytical work even if technical assistance is not made available. There is recognition of the lack of sustainability of the actual LPA structure. There is political will, but the financial resources needed are currently missing.

Mr. Iurie Tap: The Parliamentary Commission for Decentralization will solicit a common meeting with the Parity Commission. A deputy general secretary of the Government was created with the responsibility to coordinate the decentralization reform. The Parliament will vote the necessary legal framework for decentralization reform implementation.

Mr. Vasile Bulicanu mentioned that 2013 was a turning point and that we must ensure the continuity of what was initiated, otherwise the country risks failing an important reform. With support from Bratislava, the Ministry of Finance will launch program-based budget projects in March and will cover all LPAs by 2015. Unfortunately, the Ministry of Finance has limited capacity to deliver training. This requires technical assistance. Other issues that require assistance are the piloting of the new local government finance law, as well as the development of a formula for funding of pre-school education.

Ms. Victoria Cujba declared that the Government's Work Plan includes all aspects related to the decentralization reform. The Government is open to negotiations and looking for new funds. There is political will to complete the reform and make this process irreversible. It would be a mistake if this effort would be stopped now, after so many efforts and investments and, especially, after support was obtained from mayors and local officials. Donors' assistance helped the Government communicate

better with the LPAs and the LPAs are now supporting the reform. We are required to respect our promises.

Mr. Henrik Huitfeldt stated that the Swedish Government supported the 1st component until summer 2013. However, the Embassy's assessment of the situation, after the political crisis, was that the Parliament's decision to postpone the implementation of the Law on Local Finance to after the planned general elections has jeopardized the reform. The plan to implement the territorial reform between the Parliamentary and local elections is also very risky. Mr. Huitfeldt said that the needs of the policy component of the JILDP for 2014 are in any case not very large. It is, first of all, about preparing various scenarios for the territorial reform and supporting the implementation of the Law on Local Public Finance in the selected pilot regions. The Swedish Embassy will follow the developments and may reassess the situation towards the end of the year.

Ms. Victoria Cujba suggested approving the Work Plan for 2014.

4. Transfer of assets.

Mr. Constantin Elisei presented for consideration and approval the list of assets procured under the JILDP that have to be transferred to the State Chancellery, which is the beneficiary of the project.

Ms. Victoria Cujba closed the meeting and thanked all the stakeholders wishing them good luck for the following work.

III. Decision:


The Program Steering Committee:

1. *Approved the Annual JILDP Report for 2013 (Annex 1 and 2)*
2. *Approved the Annual JILDP Report for 2014 (Annex 3)*
3. *Approved the transfer of assets to the beneficiary (Annex 4)*

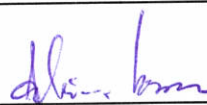
IV. Annexes:

1. *JILDP Annual Narrative Report for 2013*
2. *JILDP Annual Progress Report for 2013*
3. *JILDP Work Plan for 2014*
4. *List of assets transmitted to the beneficiary*

Signatures:

 **Victor Bodi** *General Secretary of the Government*

_____ **Date**

 **Adrian Ionescu**, *Program Chief Technical Adviser*

_____ **Date**