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Joint Integrated Local Development Programme Steering Committee Meeting

Meeting Minutes no. 9

Date: July 2, 2013, 14.00

Location: Government building, office 536

List of Participants

Members:

- | | | | |
|-----|---------------------|---|---|
| 1. | Roman Cazan | Deputy General Secretary of the Government | Meeting Chairman, National Program Coordinator |
| 2. | Narine Sahakyan | Deputy Resident Representative | UNDP Moldova |
| 3. | Ulrik Birk-Petersen | Head of Section European Neighbourhood and Russia | Ministry of Foreign Affairs, Denmark |
| 4. | Liviu Oboroc | Deputy Minister | Ministry of Regional Development and Construction |
| 5. | Igor Grosu | Deputy Minister | Ministry of Education |
| 6. | Maria Caraus | Deputy Minister | Ministry of Finance |
| 7. | Viorica Dumbraveanu | Head of Department | Ministry of Labour, Social Protection and Family |
| 8. | Iurie Tap | Parliamentary Commission on decentralization and local autonomy | Parliament of the Republic of Moldova |
| 9. | Vadim Lelic | Mayor of Telenesti town | Telenesti town |
| 10. | Iulia Pancu | Vice President of Ungheni rayon Council | Ungheni rayon Council |

Observers:

- | | | | |
|---|--------------|--|-------------------|
| 1 | Nina Orlova | Senior Programme Officer | Embassy of Sweden |
| 2 | Maria Myrman | Interim Head of Cooperation for Development Department | Embassy of Sweden |

Participants:

- | | | | |
|----|-----------------|--|---|
| 1. | Victoria Cujba | Head of Decentralization Policies Department | State Chancellery |
| 2. | Adrian Ionescu | Chief Technical Adviser | JILD/UNDP |
| 3. | Mihai Roscovan | Programme Manager | JILD/UNDP |
| 4. | Valeria Ieseanu | Portfolio Manager | UNDP Moldova |
| 5. | Veaceslav Balan | Programme Analyst | JILD/UN Women |
| 6. | Olesea Cazacu | Project Manager | JILD/UNDP |
| 7. | Zinaida Adam | CB Consultant | JILD/UNDP |
| 8. | Svetlana Rogov | Head of Investment Policies Department | Ministry of Regional Development and Construction |

I. Agenda

- 14.00 – 14.05** **Welcome remarks**
Roman Cazan, Deputy Secretary General of the Government
- 14.05 – 14.25** **Presentation of the JILDP Progress report for 2013 1st Semester and**
14.25 – 14.40 **Work Plan for 2nd Semester. Discussions**
Mihai Roscovan, Programme manager,
Adrian Ionescu, Chief Technical Adviser
- 14.40 – 15.00** **Update on the new JILDP phase (2013-2015)**
Valeria Ieseanu, Portfolio Manager, UNDP Moldova
- 15.00 – 15.10** **Support to the implementation of local development initiatives.**
Discussions
Olesea Cruc, Project Manager;
Veaceslav Balan, Programme Analyst
- 15.10 – 15.30** **Conclusions and approvals**
Roman Cazan, Deputy General Secretary of the Government

II. Presentations and discussions:

1. Welcome remarks

Mr Roman Cazan greeted the participants in the meeting and presented the new members of the Steering Committee: Mr Ulrik Birk-Petersen, the Head of the Europe and Russia Neighbourhood Department, Ministry of Foreign Affairs of Denmark; Mr Liviu Oboroc, Vice-minister, Ministry of Regional Development and Constructions of Moldova; and Mrs Viorica Dumbraveanu, representing the Ministry of Labour, Social Protection and Family. He also informed the members of the Steering Committee that two institutions – the Academy of Public Administration (APA) and the Congress of Local Authorities from Moldova (CALM), submitted official requests to withdraw from the Steering Committee, invoking their intention to participate in the implementation of the JILDP activities, and thus avoid conflict of interest situations.

Mr Cazan specified that in spite of political crisis within the last period of time, the JILDP continued implementing its activities, among which are the following: organization of the Meeting of the Parity Commission when the Local Public Authorities' (LPA) Administrative Capacity Assessment Methodology was approved; organization of debates on the amendments to the Law on local public finance; creation of sectoral working groups on decentralization and the development of sectoral strategies.

2. Presentation of the JILDP Progress Report for the First Semester of 2013 and the JILDP Working Plan for the Second Semester of 2013.

Mr Mihai Roscovan presented the activities carried out as part of the two components of JILDP in the first semester of 2013. During this period of time, the program had two major objectives: supporting the implementation of the National Decentralization Strategy and developing local governance by strengthening LPAs' capacity to provide public services of better quality. JILDP provided permanent support to the State Chancellery and the Parity Commission in coordinating and monitoring the implementation of the National Decentralization Strategy. At the same time, JILDP assistance was extended to most line ministries where sectoral working groups were created.

Taking into account the deadline set up by the Prime Minister Mr. Iurie Leanca (by the end of this year the sectoral strategies have to be developed), JILDPA will provide the necessary support for conducting research and developing the sectoral policies. In this regard, with the assistance of the Chief Technical Adviser, Adrian Ionescu, the draft Guide for developing sectoral decentralization strategies for central public authorities was elaborated. The draft Guide, along with the LPAs' Administrative Capacity Assessment Methodology, was presented to the Parity Commission during its meeting on June 28, 2013. Two sectoral strategies on education and social services decentralization were developed. JILDPA provides assistance for adjusting the legal framework related to the sectoral strategies, for instance the amendments to the Law on local public finance. Despite the attempts to hinder the reform implementation process, i.e. the intentions to introduce the single tax for agriculture and the discussions on the situation of the Chisinau municipality, the legal amendments were approved in the first reading by the Parliament of the Republic of Moldova.

An ample communication and awareness raising campaign on the decentralization reform is currently being prepared that will also ensure an increased visibility of the program activities. JILDPA continues to cooperate with its main partners – APA and CALM, providing support for carrying out trainings, as well as consolidating the CALM Women's Network.

As for the second component, JILDPA target communities were selected: 20 communes and 10 clusters of communities. JILDPA held meetings with the mayors of these communities and explained the conditions to participate in the JILDPA activities. All target communities have officially agreed to participate in the JILDPA activities, by submitting the local councils' decisions on this matter. The consulting companies that will provide the necessary expertise were contracted. Also, JILDPA continued piloting inter-communal cooperation in Telenesti. In this context, the members of the Steering Committee were invited in Telenesti town on July 4, 2013, when, for the first time in Moldova, the agreement between 9 localities from Moldova to extend the waste collection and sanitation services through inter-communal cooperation will be signed.

Mr. Adrian Ionescu presented the Action Plan for the second semester of 2013. Under the *Policy Development Component*, the State Chancellery will receive support in policy development, especially to develop a methodology to monitor and evaluate the implementation of the National Decentralization Strategy. Support will be provided for organization of the public consultations and the elaboration of the final drafts of sectoral decentralization strategies in education, social services, communal services and property (real estate assets). An important activity will be the technical assistance provided to the Working Group of the Ministry of Finance to make final adjustments for the implementation of the new system of local finances, as well as for the training of local authorities related to its implementation. Grants will be provided for the CALM Women's Network. A sustained campaign for the active promotion of the decentralization reform has been started and will continue during the Program period. Under the *Local Governance and Development Component*, activities will be started to elaborate Institutional Development Plans for the target local authorities. Support will be provided to improve the management of local public services in 20 target communes and 10 clusters. The local authorities will also receive support for the improvement of the local business environment.

Mr. Veaceslav Balan mentioned that the JILDPA will keep the focus on the human rights based approach and gender equality in all Programme activities, including gender mainstreaming in policy documents and local strategies, piloting gender-responsive budgeting, community mobilization and empowerment of women and men, in particular from vulnerable groups, initiation at the cluster community level of a "one stop shop" approach piloted by UN Women through the Women's Economic Empowerment program (WEE – Women's Economic Empowerment), identification of women's economic empowerment needs and projects initiation to meet the identified needs, etc.

Summary of discussions

Mr. Roman Cazan specified that the State Chancellery appreciates the Programme support for the continuity of the decentralization reform. So far we have laid the foundation on which to build further the decentralization reform. This progress was achieved with the support of the Governments of Denmark and Sweden, UNDP and UN Women. He mentioned that the focus should be on implementing the Action Plan of the Decentralization Strategy. This is to be done and completed by 2015 and the State Chancellery reiterates its commitment to that.

It was noted an absolutely important aspect regarding the implementation of the reform by JILDPA qualified assistance, that the Government is implementing the decentralization through the human rights based approach and gender mainstreaming, which will ensure that the reform will produce beneficial and fair results for all Moldovan citizens, men and women, including the vulnerable groups.

Mrs. Maria Caraus requested the revision of the allocated budget to support the Ministry of Finance by increasing the funds for equipment and software, because the software for implementing the new intergovernmental fiscal relations system will be developed and installed.

Mr. Mihai Roscovan said that the budget for the Ministry of Finance can be reviewed and adjusted as necessary.

Mr. Iurie Tap reiterated that the Law on local public finances was approved by Parliament in its first reading. The Program's support has been crucial for these changes. After the second reading of the draft law, the conditions would be achieved for the local and central government to implement the tax reform. The working groups of the Ministry of Finance and the Ministry of Education are the most advanced, and have developed good sectoral strategies. The inter-municipal cooperation should be at the base of the territorial-administrative reform concept and the success of the reform depends on how the pilot projects will be carried out. Mr. Tap reminded that by the end of this year an assessment of the implementation status and an update of the NDS Action Plan has to be performed.

Mr. Roman Cazan ensured that by strengthening the Government-Parliament relation of collaboration, the decentralization reform message will be brought closer to citizens.

Mrs. Nina Orlova said that, although the Swedish Government wanted to immediately support the Program, the approval was delayed because of the recent political crisis. The new cooperation agreement has already been prepared and is about to be signed. We will continue to support the JILDPA for a period of two years. If the pace of the reform implementation will be maintained, the assistance will continue.

Mrs. Narine Sahakyan reiterated that the process of decentralization has been affected by the political crisis. It is very important to convince the partners support in the the reform realization and the pace of its implementation should be stepped up. She also mentioned that it is very important to demonstrate the benefits of the reform to the people so that their confidence is raised. She thanked all for their cooperation.

Mr. Ulrik Birk-Petersen thanked for cooperation and expressed the confidence that the decentralization reform will lead to provision the citizens with high quality services. He noted the need of narrative progress reports presentation to assess the performance.

3. Presentation of the new JILDPA stage (2013-2015)

Mrs. Valeria Ieșeanu noted that the UN agencies consolidated their efforts to support the decentralization reform until a decision on further support by development partners is taken. In the next two years, the focus of policy level support will be on several blocks: Assisting the Government in preparing and implementing fiscal decentralization policies; Support the Ministry of Finance with

analyzes and methodologies, and also training the CPA and LPA in implementing the new financial system; Continue assistance for the elaboration of the sectoral strategies. The Programme will also support the State Chancellery to establish a viable method for monitoring and evaluating the implementation of the Decentralization Strategy. The Parliamentary Commission on Decentralization will be assisted to promote the draft laws resulting from the sectoral strategies elaboration and other legislative amendments. For all above mentioned activities a budget of 2 million 238 thousand 520 USD (14 million 500 thousand SEK) is envisaged, which represents the Sida contribution. The funds will be received in two tranches: the first tranche upon signature of the SAA and the second on 30th May 2014. The distribution of funds between UNDP and UN Women will be made in accordance with the JILDP budget for phase 2, Sida contribution (Annex 1 to the SAA signed with Sida).

Mr. Roman Cazan specified that the new phase of the Program supports the Government's efforts in implementing the decentralization reform, the entire program being estimated at over 7.2 million USD. The Government contribution to the reform implementation is substantial. For example, the implementation of the new funding system of LPA will require additional funds from budget of about 500 million lei. But technical assistance is very much needed especially analysis and additional expertise. In this context, he noted that on July 3, the main donors in this field of decentralization and local governance will meet to inform the partners about the progress of reform and to seek their support.

4. Support for the implementation of local development initiatives

Mrs. Olesea Cazacu presented the proposal for technical assistance to be provided to 20 communes and 10 clusters of communities of the JILDP. The grants are proposed as follows:

- Grants for institutional capacity development of LPAs in 20 communities and 10 clusters of communities (up to 5000 USD)
- Grant for the Academy of Public Administration for the institutionalization of LPA training modules (up to 10 000 USD)
- Grants for improvement of local services in 20 communes (up to 15.000 USD)
- Community mobilization for empowerment grants in 20 communes (up to 8000 USD)
- Grants for economic empowerment for vulnerable population (up to 5000 USD)
- Inter-municipal cooperation service creation grants for 10 clusters of communities (up to 100.000 USD).

Summary of discussions:

Mr Roman Cazan mentioned that the JILDP target communities were selected at the last Steering Committee meeting. These localities will receive support from JILDP, including technical assistance for pilot projects, to create viable models of local governments with increased capacity to provide efficient and accessible public services.

Mrs Valeria Ieseanu mentioned that based on the previous experience, in order to ensure the sustainability of the local interventions, the target localities will be requested a 15% contribution for the local development initiatives.

With regard to local economic activities, **Mrs Nina Orlova** proposed to ensure the synergy between the existing programs in the Republic of Moldova, and underlined the importance of communication and cooperation with them. She also encouraged the JILDP to ensure the coordination with the stakeholders from this field, like the Ministry of Economy, ODIMM, EBRD, Winrock Moldova, the UN Women program on women economic empowerment, as well as the Program on Central Public Administration Reform.

Referring to the need to ensure synergy of actions and coordination with different programs and donors, **Mrs Victoria Cujba** mentioned that the State Chancellery will continue holding meetings with the main development partners that assist the decentralization reform. These meetings will aim at coordinating the agendas of the State Chancellery, local public administration and the development partners in this field.

Mr Iurie Tap drew the participants' attention to the need to adjust the legal framework on inter-municipal cooperation in line with the practical experience gained during the implementation of pilot projects.

Mr Roman Cazan made the concluding remarks of the meeting, reiterated the Government's commitment to continue implementing the decentralization reform and thanked all those who take part in this process.

IV. Approvals:

The Steering Committee of JILDП:

1. Approved the Progress Report for the first semester of 2013 (Annex 1)
2. Approved the Working Plan for the second semester of 2013 (Annex 2)
3. Approved the maximum amounts of grants (Annex 3)

V. Annexes:

1. JILDП Progress Report for Semester 1, 2013
2. JILDП Working Plan for Semester 2, 2013
3. Types of grants and the maximum amounts of the technical assistance

Signatures:



Roman Cazan, *Deputy Secretary General of the Government*

_____ **Date**



Adrian Ionescu, *Chief Technical Adviser of JILDП*

_____ **Date**