



This action is funded by the European Union

ANNEX 1

of the Commission Implementing Decision on the Annual Action Programme 2017 in favour of the Republic of Moldova

Action Document for Citizens' Empowerment in the Republic of Moldova

1. Title/basic act/ CRIS number	Citizens' Empowerment in the Republic of Moldova CRIS number: 2017/040-474 financed under European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Republic of Moldova The action shall be carried out in the following Regions of the Republic of Moldova: North, Centre, South and Gagauzia			
3. Programming document	Single Support Framework for EU support to the Republic of Moldova 2017-2020			
4. Sector of concentration/ thematic area	Complementary support to civil society, Good Governance, Public Participation, Water Supply and Sanitation , Waste Management, Energy Efficiency			
5. Amounts concerned	Total estimated cost: EUR 5 000 000 Total amount of EU budget contribution EUR 5 000 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with: Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) Direct management – procurement of services			
7) DAC code(s)	15150 – Democratic participation and civil society			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not	Significant	Main

		targeted	objective	objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	X	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Not applicable			

SUMMARY

This proposed action will engage Civil Society Organisations (CSOs) and the citizens of Moldova in the governance of public investment projects, leading to their improved transparency and accountability. Through financial support for third parties (CSOs) the dialogue between local authorities and citizens of Moldova will be facilitated. This action will promote ownership of citizens in community investment, by empowering them to participate in the decision making process related to local investment projects, and allow them to monitor and communicate the impact of these investment projects in the Republic of Moldova.

This action will provide sector technical expertise, relevant documentation and access to information, as well as methodological guidance to selected communities and/ or civil society organisations for the implementation of the following activities:

- **Accompanying and monitoring the implementation of a selected number of investment projects** funded by the EU and other sources in the field of water/sanitation, solid waste management, energy efficiency of public buildings, including management and maintenance of infrastructure and communicating the added value to citizens. These investment projects were identified and developed between 2013-2017 in the framework of Regional Planning and Programming supported through the Modernization of Local Public Services in Moldova (MLPS) project with EU financing provided through Annual Action Programmes 2013 and 2016.

- **Ensuring participation of citizens** in Regional Development Councils, where decisions on investments are planned and made and in **strengthening the capacity of local representatives** to actively participate in meetings of the Regional Development Councils as well as in relevant processes and events at national level related to water and sanitation, solid waste management and energy efficiency. This may take the form of participatory budgeting. At the same time, local government will be provided advice/guidance to consult their communities and to engage citizens in their decision making.

- **Organising awareness raising campaigns and competitions** at schools related to environmental issues and educate and involve citizens in consultations regarding tariff impact (water and solid waste management).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The Republic of Moldova¹, a landlocked country with borders to Romania and Ukraine, has a resident population of 3.5 million. It is the poorest country in Europe with a GDP per capita of EUR 1 682 in 2015. Moldova ranked 107th out of 188 countries on the Human Development Index (HDI-0.698).

A period of sustained economic growth and reforms to the social protection system helped reduce poverty levels. Nevertheless, in 2014, approximately 11.4% of the population were estimated to be living below the absolute poverty line. Absolute and relative poverty is particularly acute amongst the rural population, the elderly living alone and larger households (5+) in the urban areas. The GINI coefficient stands at 26.8. Moldova scored 1.003 on the Gender Development Index, and while there is little appreciable difference between men and women on the majority of indicators, there is a substantial difference in share of gross national income.

Although Moldova has committed to decentralisation and administrative territorial reform, the implementation of this reform has time and again been postponed. Despite Moldova's adherence to the Local Charter of Self Governance, local governments in Moldova remain largely dependent on inter-governmental transfers from the state budget. The PEFA² assessment scores for 2015 offer a good reflection on availability of public funds in Moldova – A for the transparency of elaboration of the state budget, A for transparency of inter-governmental fiscal transfers, but a C+ for predictability of funds. In fact, local governments struggle to obtain sufficient funds to cover recurrent costs incurred by their obligations to provide local services, leaving very little room for the realisation of capital investments (including those already planned), or depending exclusively on foreign donor support and private investment.

The legislative framework provides the right to access public information. Active participation in supervising the implementation of governmental policies and monitoring governmental bodies at local level is weak. In that respect, stronger citizen and CSO oversight on monitoring procurement can lead to a more accountable and transparent service delivery³.

Citizen participation can be a real driver in bringing real change in communities. Civil society organisations can ensure a link between citizens and the state. In fact, in Moldova, there is already a critical mass of well-established CSOs that have already significant experience in engaging with the central government on issues related to either budget planning for large scale infrastructure projects, as well as on expenditure monitoring.

The Civil Society Development Strategy 2012-2015 and the Action Plan for implementing the Strategy set out the role of CSOs in carrying out monitoring and expenditure. Two of its objectives are (i) strengthening of CSO's role in monitoring policy implementation,

¹ Hereinafter Moldova.

² See: PEFA (2015) available at <https://pefa.org/assessment/md-dec15-pfmp-r-public-en>

³ See: UNDP (2011), "Fighting Corruption in the Water Sector, Methods, Tools and Good Practices", p.20, available at: http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/fighting_corruptioninthewatersector.html

development of an active civic culture, volunteering and non-formal education. However around two thirds of activities under the expired strategy were not implemented. It was therefore decided to continue a number of activities under the new Strategy The new Civil Society Development Strategy 2016-2020 is expected to be adjusted and approved by mid-2017. In addition, the Public Administration Reform (PAR) Strategy 2016-2020 envisages measures to ensure the implementation of the legislative framework in the area of access to information and of transparency in decision-making.

The lack of trust in public institutions and CSOs warrants an initial emphasis on CSO roles in raising awareness and promoting cooperation. Subsequently, CSOs can be encouraged to broaden their role to include policy advocacy and monitoring procurement and accountable, transparent service delivery⁴.

The main goal of this action is to empower citizens through their constructive participation in local, regional and national decision making processes.

With funding from Germany, Romania, Sweden, Switzerland and the EU, GIZ is currently implementing a project on the Modernization of Local Public Services in the Republic of Moldova (MLPS) in Moldova's Development Regions (North, Centre, South and Gagauzia) which has as its main objective to improve conditions of local public service provision for a citizen-oriented implementation of regional development policy in priority sectors (water/sanitation, solid waste management, energy efficiency of public buildings).

1.1.1 Public Policy Assessment and EU Policy Framework

The main national policy document guiding the development of the Civil Society sector is the Civil Society Development Strategy 2012-2015 and its implementation plan (2012). Its main objective is 'to create a favourable framework for developing an active civil society capable to progressively contribute to the democratic development of Moldova, to stimulate social cohesion, and finally to develop social capital'. In order to do so, it aims to strengthen the framework for civil society participation in the preparation and monitoring of public policies' implementation, to promote and strengthen civil society financial sustainability, and develop active citizenship and volunteering. The Civil Society Development Strategy 2016-2020 is expected to be adjusted and approved by mid-2017. Taking into consideration that around 2/3 of the activities under the expired strategy were not implemented, the new strategy will follow the same objectives as the previous one.

With the signature of the Association Agreement - including a Deep and Comprehensive Free Trade Area (DCFTA) - Moldova agreed on a series of reforms that should increase the quality of governance and allow long-term social and economic development. The reforms touch upon all policy sectors, which is why the involvement of CSOs is required.

EU policy and domestic objectives in terms of civil society development are closely linked to one another. The 2015 Review of the European Neighbourhood Policy places the 'partnership with societies' as one of the pillars of EU policy in relation to its neighbours. The Civil

⁴ See: UNDP (2011), "Fighting Corruption in the Water Sector, Methods, Tools and Good Practices", p.20, available at: http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/fighting_corruptioninthewatersector.html

Society Facility (2015-2019) – resulting from this policy review – has already supported a number of Moldovan CSOs in engaging in the areas of good governance and social development.

The Association Agreement recognises civil society as one of the parties in its implementation structure. In addition to the requirement of having civil society involved in public decision making related to the implementation of the Agreement, with its signature a platform composed of EU and Moldovan civil society has been created. This platform meets regularly and feeds into the decisions of the EU-Republic of Moldova Association Council.

Regional Development is highlighted as a key policy area in the Association Agreement (Title IV, chapter 20, articles 107-112) to promote participatory and transparent modalities for the sustainable development of the country. The National Regional Development Strategy for the period 2016-2020 aims to ensure citizens' access to professional public services, fostering sustainable economic growth in the regions and improving the regulatory and legislative framework governing the competitive development of settlements.

This action is proposed in the framework of the ambitions set out in the SWD Eastern Partnership 20 Deliverables for 2020. Upon the review of the Neighbourhood Policy (2015) and in agreement with the Declaration of the Eastern Partnership Summit in Riga (2015), The Eastern Partnership pursues a more focused approach in delivering tangible results for citizens under each of the Priority four Riga priorities. Priority 11 aims to monitor and evaluate policies; ensure better accountability; improve management and transparency of public finances; and improve citizens' rights to good administration. Priority 14 aims to ensure transparency and efficiency of energy markets by improving the availability and quality of data for consumers, investors, researchers and policy makers, as well as through better management, analysis and translation of data into policy decisions. The cross-cutting Priority 1- related to civil society development – pursues extended outreach of CSOs to citizens.

1.1.2 Stakeholder analysis

The Civil Society landscape in Moldova comprises a large number of formally constituted and registered urban-based organisations with limited financial and human resources and very low levels of activity. Approximately 80-90% of these are financed by ODA. CSOs in Moldova face a number of challenges: they have little formal access to policy dialogue or planning processes, limited financial capacity and citizens' trust in CSOs remains low. Only 24% of Moldova's citizens claim they trust CSOs, whilst 7% trust the Government. In this context it is important to raise public awareness about the role of CSOs in social and economic development through different media campaigns showing best practices in the field. A developing trend in the sector is the increasing participation of informal civic grouping advocating in innovative ways, such as environmental education competitions (e.g. green champions in schools, flash-mobs, social media, etc.). These activities can ensure the programme's visibility and raise public awareness about the role of CSOs in social and economic development.

Over the last few years, efforts have been made to put in place structured mechanisms for national level dialogue with civil society, but these have not always proven sustainable. For example, a major achievement concerning participation in decision-making is the creation of the National Participation Council (NPC), as an advisory body to the Government of

Moldova. The NPC was created in 2010, but ceased working in 2014. It re-started its activities in 2016. In addition to the NPC, the National NGO Council monitors Parliament's activities. The NPC mandate for the period 2017-2019 has been recently launched⁵.

The Council comprises 30 CSO representatives from different areas. The Council aims to develop and promote strategic partnership between public authorities, civil society and the private sector in strengthening participatory democracy in Moldova, facilitating communication and stakeholder participation in identifying and achieving the country's strategic development priorities at all stages. NPC membership is voluntary for a renewable duration of two years.

Citizens and Civil society active in the areas of intervention will play an active role in monitoring the project implementation including the procurement process; they will support the analysis of possible tariff impact and in that case, propose ways to mitigate the impact on the most vulnerable households. They will also play a key role in communicating and promoting change behaviour in the use of these improved services and advocate the added value of investments.

Regional Development Councils have been set up in the four Development Regions (North, South, Centre and Gagauzia) with a composition of 25% representatives of CSOs, private sector, mayoralities and districts. They approve the Regional Development Strategies and underlying Regional Sector Programmes and monitor their implementation, which are conducted by the Local Public Authorities (LPA) with support of the Regional Development Agencies.

Moldova currently has a very fragmented territorial-administrative structure with 902 LPA at the first level (villages and towns) and 32 LPA at the second level (districts). Due to this fragmentation, the low level of available financial resources and limited organisational capacities, the LPAs currently cannot provide sufficient local public services in line with citizens' demands.

MLPS has, since 2010, facilitated comprehensive awareness-raising for LPAs via the RDAs, the Congress of Local Administration and the Academy of Public Administration in relation to the need for inter-municipal cooperation for improved service provision.

The need for a territorial/administrative reform is widely recognised and shall be addressed in the framework of the ambitious Public Administration Reform that Government of Moldova has embarked upon.

All currently planned EU-financed investments in public infrastructure water supply and sanitation and solid waste management require inter-municipal cooperation and thereby support the reform process in this domain.

MLPS provides substantial capacity development to promote and support inter-municipal cooperation for improved service provision in these sectors.

⁵ <http://www.gov.md/en/content/moldovas-national-participation-council-become-platform-balance-between-citizens-public>

The engagement of qualified CSOs in disseminating information on inter-municipal cooperation is crucial in creating the necessary understanding of and awareness for these complex reform processes by local citizens.

With the support of MLPS, LPAs have managed to create meaningful structures and processes to improve the involvement of CSOs and citizens in planning of public infrastructure, oversight of procurement and engagement with service providers regarding maintenance and tariff issues. Achievements, challenges and lessons learnt are being communicated into the Regional Development Councils in order to facilitate the scaling-up of these innovations within and across the Development Regions of Moldova.

Both LPAs and Regional Development Councils require further and more systematic cooperation with CSOs to sustain and extend the piloted modalities for civic engagement in all key processes regarding public infrastructure and service delivery.

1.1.3 Priority areas for support/problem analysis

Sectors of Intervention

The **water and sanitation infrastructures** of the cities and villages of Moldova date from the Soviet era and are insufficient in terms of quality and quantity. For decades, not only rehabilitation or extension investments, but also important maintenance works have been neglected. According to the Moldovan Ministry of Environment, in 2014 only about 77% of households were connected to the municipal water systems (36% in rural areas) as only 50% of urban households were connected to sewage systems (almost non-existent in rural areas). Moldova is the only country in Europe which missed the Millennium Development Goal of halving the proportion of people without access to water supply and sanitation services (UNICEF / WHO 2015).

This situation results in inadequate living standards and increased health risks for the Moldovan population as well as insufficient economic development and contributes to, amongst others, emigration. Therefore, the involvement of civil society in the prioritisation, planning and procurement of water and sanitation infrastructures is of utmost importance. Involving citizens in the public procurement of infrastructures will improve the dialogue between civil society and local administrations and increase transparency of public procurements. The status quo is that the maintenance of infrastructures as a public good is disconnected from the needs of citizens. Involving them in the maintenance planning will improve the sustainability of these investments.

Waste management in Moldova is underdeveloped with many shortcomings. The majority of the 1 to 1.5 million tonnes of municipal solid waste produced annually by the ca. 3.6 million inhabitants is disposed on approximately 3,000 small-to-medium sized dumpsites of which most are illegal. The existing dumpsites often exceed their capacity and there is very limited separate collection of recyclable materials or bio-waste. Illegal dumping, which is associated with adverse impacts on environment, public health and climate, is widespread practice. The Law on Waste that has been approved in 2016 already foresees enforcement mechanisms and bodies in charge of controlling its application. A future Technical Assistance project will focus on institutional and regulatory reforms; it will also focus on strengthening some of the enforcement mechanisms. Waste collection coverage is limited in many areas (30% in rural

and 70% in urban areas) and separate collection is restricted to primarily plastics in larger cities.

The current unsustainable state of waste management in Moldova poses serious threats to the environment, public health and climate. In fact, while some of the dumpsites are authorised, none of them are compliant with any environmental requirements. Since existing landfills are not compliant with EU standards surface and groundwater are prone to contamination. Pollution of areas adjacent to dumpsites by windblown litter is also an issue. It should also be noted that at the national level there are no hazardous waste treatment and disposal facilities.

The implementation of the government's Waste Management Strategy has already started in all regions and individual sub-projects are developed in each of the eight waste management regions and separate feasibility studies are currently being carried out. Involving citizens in the design, implementation and control of the waste management strategy will increase their ownership in the adequate design of processes and enforcement.

Energy Efficiency is an important sector of investment in Moldova. In its National Development Strategy Moldova 2020, the country has set out a saving goal of 10% (base year 2009) of the end use energy in the building sector and a share of 10% of renovated public buildings by 2020. This strategy is in line with Moldova's commitments towards the Energy Community Treaty and its improvement of Energy efficiency. Together with donor support, the country has been working on the rehabilitation of an important number of public buildings with a view to make energy savings. All citizens of Moldova are affected by fluctuating and generally increasing energy and electricity prices, however, they are disconnected from the discussion on energy savings and far from being consulted on tariff issues.

The sectors of intervention are priorities for the bilateral cooperation between the EU and Moldova. However, civil society needs to be more involved in the strategic discussion and implementation of investments for the sectors above. The EU-Moldova Civil Society Platform stated in its joint declaration following a meeting on 22 May 2017 that limited progress was achieved in delivering tangible results in key reform areas, ensuring transparency, accountability, resilience and good governance, including in the management of public finances. The proposed project will tackle this shortcoming.

Civil Society in Moldova

In February 2016, 10,296 CSOs were registered with the Ministry of Justice of Moldova. Only a small number has been active in the last three years. The strategy to improve local public services must take into account relatively low capacity levels of CSOs outside the capital, weak accountability of CSOs to local citizens, limited experience of CSO monitoring of public procurement, and poor capacity for dialogue with the government. A recent mapping study reported additional deficiencies in the areas of public advocacy legislation, limited access to public information and shortage of knowledge and expertise to conduct policy analysis.⁶

The lack of trust in public institutions and CSOs warrants an *initial* emphasis on CSO roles in raising awareness and promoting cooperation. Subsequently, CSOs can be encouraged to

⁶ Liubomir Chiriac and Eduard Tugui (2015), "Mapping Study - Civil Society Organisations from the Republic of Moldova: Development, Sustainability and Participation in Policy Dialogue" available at: <http://www.csdialogue.eu/news/mapping-study-civil-society-organizations-moldova-civil-society-dialogue-progress-conducts>

broaden their role to include policy advocacy and monitoring procurement and service delivery.⁷

The activities to be supported by this action correspond to the priority areas covered by the Association Agenda. CSOs will contribute to the political and socioeconomic development of Moldova, through wide ranging participation of areas of common interest, mainly large scale investment projects in the areas of water/sanitation, waste management, energy efficiency, and communicating added value to citizens, active involvement of CSOs in supervision and monitoring of public procurements, consultations on regulations and tariffs, local and regional investment planning, and organising awareness raising campaigns.

The action intends to ensure the involvement of civil society in communities at all levels, through grants component, in order to enhance civil society's and, through CSOs, the citizens' participation in the public decision-making process. The project will establish an open, transparent and structured regular dialogue between the public authorities and Civil society: to facilitate a process of institution-building and consolidation of CSOs in various ways, including advocacy support, informal and formal networking; and finally to enable civil society representatives to become acquainted with the processes of consultation and dialogue between civil and social partners.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Vested interests and corruption hamper reforms.	H	Continuous policy dialogue at sectorial and political level and financial support for strengthened anti-corruption efforts preventing the prevalence of vested interests in policy making. Budget support is also conditional on progress on anti-corruption.
Geo-political tensions, macro-economic shocks and/or internal political conflicts divert the Government's focus and resources away from its reform agenda and restrict the pace and direction of the public finance management reforms	H	Continuous policy dialogue with the Government on macroeconomic and public finance policy issues and improved performance monitoring of the implementation of the PFM reforms
Political turnover following 2018 National Elections diverts the Republic of Moldova from the Association	M	Intensified policy dialogue with the Government within the framework of the Association Agreement

⁷ See: UNDP (2011), "Fighting Corruption in the Water Sector, Methods, Tools and Good Practices", p.20, available at: http://www.undp.org/content/undp/en/home/librarypage/democratic-governance/anti-corruption/fighting_corruptioninthewatersector.html

Agreement implementation.		
Contextual and structural weaknesses/fragilities of the CSO sector undermines their capacity to develop its role	M	Technical support/assistance to remediate project management challenges as well as to develop their functions.
Institutional changes in the context of Public Administration Reform lead to inertia/resistance on CSO involvement on local/regional level	M	Intensified policy dialogue with the Government and regional/local stakeholders
Assumptions		
<ul style="list-style-type: none"> • All political actors at central and local level remain committed to the reform process and within the timeframe envisaged. • There is willingness on the part of Civil Society Organisations to participate in policy dialogue. • Local civil society organisations and authorities at central and local level remain committed to assume financial sustainability. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The lessons learnt from the evaluation and final reports of former infrastructure projects implemented through donor-funding in Moldova are the following:

- Civil Society needs to be involved in the monitoring of investments and must play a key role in communicating and promoting change behaviour in the use of improved services.
- Implementing agencies have to play a key role in policy dialogue in the respective sectors of intervention
- Monitoring the public procurement process is essential to limit possibilities for corruption in public works
- Infrastructure development requires associated technical assistance to build capacity and ensure sustainability.

The international donor community is currently implementing over 100 CSO related grants in Moldova. This action is based on lessons learnt from many of these projects. In the last few years, the EU has actively engaged with CSOs through numerous calls for proposals: European Instrument for Democracy and Human Rights (EIDHR), Civil Society Organisations and Local Authorities (CSO-LA), Neighbourhood Civil Society Facility, Confidence Building Measures (CBMs) and crosscutting programme support.

The EU is one of the main providers of support to CSOs in Moldova. Based on this experience, the present action needs to take into account the following lessons learnt:

- The lack of coordination and organisation within the CSO sector limits the ability to react to developments on the public agenda.

- CSOs' technical and financial capacities and expertise are limited and need to be reinforced, especially in terms of enhancing the role of the civil society in monitoring public procurements.
- CSOs need to be empowered to participate in the public decision making chain.
- EU investments have a low visibility in the Moldovan society and CSOs have not seized the opportunity to play an active role in communicating the added value of EU projects.

In many cases in the past, CSOs have not managed to collaborate in a structured and constructive-critical manner with public institutions towards supporting the active involvement of citizens in crucial processes related to planning, procuring and managing/maintaining public infrastructure. Based on lessons learnt in the context of MLPS since 2010, it is crucial to provide CSOs with an explicit mandate and roadmap in this field, which needs to be clearly coordinated with LPAs and regional institutions from the start.

As such CSOs shall be encouraged to:

- Form consortia between organisations from Chisinau and the four Development Regions;
- Work in direct partnership with LPAs and the Regional Development Councils;
- Structure their operational plans with clearly defined milestones;
- Participate in knowledge exchange between CSOs in order to identify best practices and to reduce transaction costs;
- Establish and maintain close cooperation with local and regional journalists and media outlets to facilitate dissemination of information on civic engagement.

3.2 Complementarity, synergy and donor coordination

This action is designed as complementary to ongoing support programmes to Civil Society.

Civil society continues to be mainstreamed into the overall EU support to the country. The Regional Civil Society Facility 2012-2016 provided technical assistance to CSOs in Moldova and the elaboration of various studies. The recently signed Regional Civil Society Facility (2016-2020) will continue to provide support to CSOs in Moldova through info sessions and training. The European Union, EU Member States and USAID provide the largest amount of funding to civil society in Moldova. The Swedish Embassy leads the sectorial international donor coordination of CSO activities. Donor coordination for CSOs is currently facilitated by the State Chancellery of Moldova which is responsible from the Government's side for ensuring coordination activities with civil society in line with the Civil Society Development Strategy 2012-2015 and its action plan.

Under Annual Action Programme 2015 – Civil Society Facility in the Republic of Moldova – the aim was to contribute to the development of civil society in becoming a stronger actor, in actively participating in decision and policy making and implementation processes of the EU-Moldova Association Agenda through a technical assistance project and grants in the areas of good governance, social and economic development and social protection. The current action would continue to encourage CSOs to form partnerships, exchange information and enhance the role of civil society, and citizens, to participate in the public decision making chain. It would continue to reach out to smaller and newer organisations particularly outside of Chisinau.

There will be direct synergies between this specific Action document and the 2017 Action Document for Water Supply and Sanitation and Solid Waste Management Investments in the Region of Cahul. Investments in Water Supply and Sanitation Services and Waste management services will benefit from reinforced capacity of CSOs in monitoring infrastructure projects including the procurement phase, to assessing the potential impact on tariffs and advise mitigating measures, and promoting behaviour of change in order to make sure that these new services will be used in a sustainable manner.

MLPS has, since 2010, provided capacity development and complementary investment in water and sanitation, solid waste management and energy efficiency to currently 47 LPAs in three Development Regions. The project has so far provided approximately EUR 12 million for capital investments in Local Public Authorities (LPAs) and provides assistance and accompaniment of related procurement processes conducted by the Regional Development Agencies (RDAs) as contracting authorities. MLPS assists LPAs, RDAs and Regional Development Councils (RDCs) in the following areas:

- integrated planning,
- awareness raising of citizens,
- inter-municipal cooperation,
- capacity development of service providers
- preparation, quality control and monitoring of public acquisitions

MLPS already coordinates contributions of five donors from Germany, Sweden, Switzerland, Romania and the EU and has a well-established and institutionalised steering structure which operates on three levels:

- Bi-annual policy dialogue with six ministers, five ambassadors and four presidents of the Regional Development Councils
- Quarterly operational monitoring sessions
- Quarterly sessions of 22 Local Steering Committees, each organised by the respective LPA in which jurisdiction the investments are being implemented

Even though the proposed support to CSOs shall be implemented directly via non-state actors it will be possible to address the key issues in the framework of the above mentioned elements of the MLPS steering structure in order to use the obvious synergy potential and increase outreach capacity.

Moreover, MLPS promoted civic engagement in planning, procurement and sustainable management of public infrastructure. The involvement of citizens in all related local and regional processes of modernising local public services is considered crucial to help improve the relationship between civil society and the public sector through increased participation, transparency and accountability. This endeavour is increasingly relevant due to the historically low level of trust in public institutions and the demand for CSOs to have more oversight in the distribution and application of development funds provided by the EU and other development partners.

MLPS has therefore supported the engagement of CSOs in all related processes both at the level of LPAs as well as at the level of the Development Regions. CSOs represent 25% of the members in the Regional Development Councils which identify investment priorities and monitor the implementation of services on a regional level. CSOs could play a more active

role in the decision making processes and build own capacities and coalitions if the mandate was supported with tailored training, backstopping and result-oriented activities.

MLPS also supports LPAs in their role as member of the Regional Development Councils. In addition to representatives of CSOs and the private sector, representatives of LPAs at the district and local level constitute a total of 50% of the members of the Regional Development Councils. As such, Regional Development Councils form a platform for discussion and decision-taking on regional objectives, enabling a systematic regional process of harmonising of local priorities with national development objectives.

3.3 Cross-cutting issues

Environmental issues will be closely monitored. The principles of sustainable development will be promoted in line with the EU and Moldovan mutual commitments. Chapter 16 (article 86-91) of the Association Agreement is dedicated to environment. It stipulates that the AA shall contribute to the long-term objective of sustainable development and greening the economy. Since part of the action concerns the monitoring of the AA implementation, specific activities will de facto address environmental issues.

The most important human rights instruments for the water/sanitation sector are contained in the International Covenant on Economic, Social and Cultural Rights (ICESCR). Access to “safe and clean drinking water and sanitation” was explicitly recognised as a human right by the UN General Assembly in July 2010 and by the Council for Human Rights in September 2010. Applying a HRBA will contribute to increased social and environmental considerations in the sector and to improved accessibility for the whole population –and of extremely poor and disadvantaged groups in particular – to water and sanitation.

In many Moldovan households, women are the largest users of water and solid waste disposal. They will primarily benefit from the expected investments in these areas, and also of the information provided to citizens in the four areas targeted under this action. Gender equality will be addressed as a key crosscutting issue. Specific activities targeting gender mainstreaming will be one of the criteria for selection of the proposals. Gender equality will be monitored in qualitative and quantitative terms in all activities of specific actions. Gender equality is expected to be reported in detail in a specific chapter in all monitoring reports.

Climate change adaptation and mitigation are cross-cutting issues in the MLPS investments funded by the EU, Germany, Romania, Sweden and Switzerland, for instance the energy efficiency component of AAP 2016. Moreover, the water infrastructure investments have undergone climate proofing in view of climate change adaptation. The feasibility study for the KfW water investment for Cahul (AAP 2017) included climate proofing and the project has been screened for potential climate change impacts. These can be communicated by the CSOs to citizens at large.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

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

The specific objectives (SO) and results of this action are:

SO 1: to enable Citizens to contribute in a meaningful way in participatory planning of public infrastructure by Local Public Administrations.

Result 1: The elaboration of at least 25 out of 32 local development plans on **water supply and sanitation** which were approved by local councils to be realised following the national guidelines on citizen engagement.

Result 2: The elaboration of at least 25 out of 32 local development plans on **solid waste management** which were approved by local councils to be realised following the national guidelines on citizen engagement

SO 2: to enable citizens of Moldova's Development Regions to participate in a meaningful way in oversight activities of procurement, management and maintenance processes of public infrastructure.

Result 3: At least 25 out of 32 Local Citizens Committees effectively monitor procurement, management and maintenance of public infrastructure in **water supply and sanitation, possibly including via participatory budgeting systems.**

Result 4: At least 25 out of 32 Local Citizens Committees effectively monitor procurement, management and maintenance of public infrastructure in **solid waste management, possibly including via participatory budgeting systems.**

SO 3: Citizens of Moldova's Development Regions – including pupils of public schools – are aware of the investments in the areas of **water supply and sanitation and solid waste management**, relevant environmental issues related to local public services and the relevance of the cost-recovery tariff setting of its provision.

Result 5: Increased awareness of citizens – and especially pupils – in relation to issues regarding **water supply and sanitation.**

Result 6: Increased awareness of citizens – and especially pupils – in relation to issues regarding **solid waste management.**

Result 7: Increased awareness of citizens – and especially pupils – in relation to issues regarding **energy and energy efficiency**, as well as its impact on **climate change.**

Result 8: Mass-media representatives aware and trained in relation to issues regarding **water supply and sanitation solid waste management, energy and energy efficiency**, as well as its impact on **climate change.**

4.2 Main activities

In view of achieving the results mentioned above the main indicative activities will be:

Activity 1 (linked to Results 1-2). Provide support to local councils to elaborate local development plans on water supply and sanitation and waste management following the national guidelines on citizen engagement

Activity cluster 2 (linked to result 3-4)

- A 2.1. Support the establishment of the Local Citizens Committees in all rayons in order to monitor procurement, management and maintenance of public infrastructure in water supply and sanitation and solid waste management and energy efficiency;
- A 2.2. Provide Capacity Development Activities to CSOs, (including organising and carrying out backstopping, quality assurance, trainings, workshops, guidelines, studies, etc.) in order to enable citizens to monitor procurement, management and maintenance of public infrastructure in water supply and sanitation and solid waste management;
- A 2.3. Organise training events for the Local Public Administrations on citizens' involvement in participatory planning.
- A 2.4. Conduct monitoring field visits.

Activity cluster 3 (linked to results 5-8)

- A 3.1. Organise information, consultation and debate events regarding rights and responsibilities of citizens as clients of local public services, with a specific focus on cost-recovery tariff setting;
- A 3.2. Organise school competitions so as to disseminate information regarding water/sanitation, solid waste management, energy efficiency of public buildings, including management and maintenance of infrastructure to school pupils, and, indirectly, to their parents and grandparents – thereby fostering a bottom-up approach to sourcing out information;
- A 3.3. Organise trainings to mass-media representatives in order to be aware in relation to issues regarding water/sanitation, solid waste management, energy efficiency of public buildings, including management and maintenance of infrastructure

4.3 Intervention logic

GIZ is currently implementing the MLPS project, which provides capacity development and infrastructure investments in water and sanitation, solid waste management and energy efficiency.

The MLPS project combines support for top-down policy and planning functions with bottom-up technical advice. It has helped develop project pipelines within Regional Sector Programmes, has facilitated Inter-Municipal Cooperation agreements between communities and assisted the participatory development of a local development strategy, and has helped develop the capacity of local Water and Sanitation Services (WSS) and Solid Waste Management (SWM) service providers. Therefore, scaling up will require CSOs to take on greater facilitation, monitoring and policy roles.

MLPS assists LPAs, RDAs and RDCs in the following areas:

- integrated planning
- awareness raising of citizens
- inter-municipal cooperation
- capacity development of service providers
- preparation, quality control and monitoring of public acquisitions

In addition, MLPS supports knowledge management on key challenges, lessons learnt and a recommendation based on the experiences at local (LPA) level, and facilitates communication into the RDCs and policy dialogue at national level. Germany plans to increase its financial contribution to the MLPS project by EUR 4 million, after Government negotiations in 2017.

CSOs represent 25% of the members in the Regional Development Councils which identify investment priorities and supervise the implementation of services. CSOs could play a more active role in the decision making processes and build own capacities and coalitions if the mandate is supported with grants, tailored training and backstopping.

MLPS supports Local Public Administration in coordination with the Regional Development Councils to set up local participation structures in 10 rayons of Moldova and will soon be extended to approximately 20 rayons. The current project concept will seek to ensure the consolidation of the existing project and the scaling up of the engagement of citizens through CSOs in these 20 rayons in a first phase and the extension of the approach to all 32 rayons in the four Development Regions of Moldova in a second phase.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities.

5.3.1 Indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

This action may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. Given the situation in the country, that implementation modality

appears to be the most relevant one to achieve impact and leverage in this specific sector and for that type of actions. This implementation entails entrusting GIZ with the implementation of the action on Citizens' Empowerment in Moldova. This implementation is justified because:

- GIZ MLPS has gained substantial experience in the engagement of citizens in participatory planning, accompanying procurement and improvement of public service in Moldova since 2010. Given GIZ extensive experience of working with local authorities in Moldova (acquired in particular through MLPS), GIZ is well-placed to create a space for citizens and civil society in the local and regional decision-making process. Through this action, CSOs will have a mandate to directly participate in existing decision making processes such as supervising procurement with RDCs and Local Public Administrations.
- GIZ has extensive experience in providing capacity development to CSOs worldwide and will be able to use this experience to carry out the grant component of this action. In this context capacity development activities are planned such as organising and carrying out backstopping, quality assurance, trainings, workshops, guidelines, studies, etc.; GIZ will provide all necessary technical assistance to Civil Society Organisations;
- The grants will be awarded to CSOs to implement the following indicative activities: awareness raising campaigns, information events, organize school competitions, participation in policy dialogue.
- GIZ can award grants to CSOs flexibly throughout the project implementation while at the same time provide capacity development strategically and on demand. Grants and capacity development can be tailored to and synchronised with the monitoring of ongoing EU investments.

The entrusted entity would carry out the following budget-implementation tasks:

- Managing all necessary technical assistance to Civil Society Organisations;
- Capacity development activities such as organising and carrying out backstopping, quality assurance, trainings, workshops, guidelines, studies, etc.;
- Prepare and manage grants to CSOs;
- Conclude and manage the contracts with CSOs, including making relevant payments.

5.3.2 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
5.8 – Evaluation,	services	1	Q3 2019
5.10 - Audit	services	1	Q2 2021

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3 All results (from 1 to 8) composed of 5.32.1. – Indirect management with GIZ	4 900 000	N.A.
5.8 – Evaluation, 5.10 - Audit	100 000	N.A.
Totals	5 000 000	N.A.

5.6 Organisational set-up and responsibilities

The project will be managed by the EU Delegation to Moldova, as contracting authority, and implemented by GIZ.

Terms of Reference for applicants for each CSO-consortium to cover the activities outlined in the indicative log-frame will be prepared by GIZ, following the consultation of the EU Delegation Project Manager.

The involvement of citizens in key processes of all EU-funded investment projects will be enabled through the collaboration between CSOs, LPAs, Regional Development Councils and the respective development partner/delegated entity.

This involvement shall include the representation of a CSO in the respective steering structure of the EU-funded project.

Strategic monitoring at regional level of CSO involvement in the key processes of all EU-funded investment projects shall be facilitated through improved communication between LPAs, projects and the Regional Development Councils.

5.7 Performance monitoring and reporting

The EU Delegation will execute regular monitoring tasks as per its monitoring plan, using standard procedures and tools.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for learning purposes, in particular with respect to increased capacity and participation of civil society, with gender disaggregated data, and development of EU visibility in EU-financed infrastructure projects by involving CSOs.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in Q3 2019.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract following the end of activities of the relevant actions, indicatively Q2 2021.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives. Actions shall be aimed at strengthening general public awareness of interventions financed by EU and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions. Visibility actions should also promote transparency and accountability on the use of funds.

Communication and visibility measures for the project activities under this Action Document will be reinforced, coordinated and implemented through the Action Document for Strategic communication and media support, which is part of the Annual Action Programme 2017 for the benefit of Moldova.

With regards to the Neighbourhood East, all EU-supported actions shall be aimed at increasing the awareness level of the target audiences on the connections, the outcome, and the final practical benefits for citizens of EU assistance provided in the framework of this action. Visibility actions should also promote transparency and accountability on the use of funds.

Outreaching/awareness raising activities will play a crucial part in the implementation of the action, in the case of budget support the national government shall ensure that the visibility of the EU contribution is given appropriate media coverage. The implementation of the communication activities shall be the responsibility of the implementing organisations, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (European Neighbourhood Policy and Enlargement Negotiations) will be strictly adhered to.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, DG NEAR, fully informed of the planning and implementation of the appropriate milestones specific visibility and communication activities.

The implementing organisation shall report on its visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

This action will be communicated externally as part of a wider context of EU support to the country, and where relevant to the Eastern Partnership region in order to enhance the effectiveness of communication activities and to reduce fragmentation in the area of EU communication.

The implementing organisation shall coordinate all communication activities with EU Delegations as well as regional communication initiatives funded by the European Commission to the extent possible. All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission and in line with the relevant EU Delegation's communication strategy under the "EU4Country" umbrella initiative.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ⁸

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To empower citizens through constructive participation of CSOs in local, regional and national decision making processes	1. Level of citizens' participation in local planning meetings.	0 (no. of citizens)	128 (2020)	Project reports Representative surveys	Structure of local committees does not change
		2. Level of citizens' participation in oversight activities of public procurement processes.	0 (no. of citizens)	60 (2020)	Yearly reports by Local Councils and Regional Development Councils	Civil Society Organisations are willed to participate in policy dialogue.
		3. Training sessions delivered to CSOs on infrastructure maintenance.	0	8 (2020)	Project reports Data provided by local public service providers in water supply and sanitation, waste management	

⁸ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Specific objective(s): Outcome(s)	<p>1. Citizens of Moldova’s Development Regions are enabled to contribute in a meaningful way in participatory planning of public infrastructure by Local Public Administrations.</p> <p>2. Citizens of Moldova’s Development Regions are enabled to participate in a meaningful way in oversight activities of procurement, management and maintenance processes of public infrastructure.</p> <p>3. Citizens of Moldova’s Development Regions – including pupils of public schools – are informed about relevant environmental issues related to local public services and the relevance of the cost-recovery tariff setting of its provision</p>	<p>1. Number of local development plans elaborated in a participatory manner according to the national guidelines on citizens' engagement and approved by local councils.</p> <p>2. Number of established Local Citizens Committees to monitor procurement, management and maintenance of public infrastructure.</p> <p>3. Number of LPAs where the awareness raising campaigns are being conducted.</p> <p>4. Number of pupils having increased awareness of environmental issues related to local public services.</p> <p>5. Number of training events (participants) for mass media representatives on issues regarding water supply, sanitation, solid waste management, energy and energy efficiency, as well as its impact on climate change.</p>	<p>7 (2016)</p> <p>7 (2016)</p> <p>0 (2016)</p> <p>0 (2016)</p> <p>0 (2016)</p>	<p>25 (2020)</p> <p>25 (2020)</p> <p>25 (2020)</p> <p>3,200 (2020)</p> <p>240 (2020)</p>	<p>Report by Regional Development Councils</p> <p>Report by independent CSO</p> <p>Report by independent CSO</p> <p>Reports by school councils (comprised of parents and school staff)</p> <p>Project reports</p>	<p>Structure of local committees does not change</p> <p>Civil Society Organisations are willing to participate in policy dialogue and schools are willed to participate in awareness raising campaigns</p>
Outputs	<p>1. Citizens of Moldova’s Development Regions have improved access to information about their rights and opportunities to participate in local planning of public infrastructure.</p>	<p>1. Number of information events (participants) regarding opportunities for participatory planning on the level of Local Public Administrations.</p>	<p>0</p>	<p>25 (1800), 2020</p>	<p>Report by Regional Development Councils</p>	<p>Structure of local committees does not change</p>

	<p>2. Local Public Administrations have benefitted from trainings on citizens involvement in participatory planning.</p> <p>3. Citizens of Moldova's Development Regions have improved access to information about their rights and opportunities to participate in oversight activities of procurement, management and maintenance processes.</p> <p>4. Pupils in public schools in Moldova's Development Regions have access to information and competitions on environmental issues related to local public services.</p> <p>5. Citizens of Moldova's Development Regions have access to information, consultation and debate regarding rights and responsibilities of clients of local public services, with a specific focus on cost-recovery tariff setting.</p>	<p>2. Number of training events (participants) for Local Public Administrations on citizens' involvement in participatory planning.</p> <p>3. Number of LPAs in which the information events (participants) regarding opportunities for participation in oversight activities of procurement, management and maintenance processes are being conducted.</p> <p>4. Number of LPAs where awareness raising campaigns on environmental issues related to local public services will be organised.</p> <p>5. Number of information, consultation and debate events regarding rights and responsibilities of citizens as clients of local public services, with a specific focus on cost-recovery tariff setting.</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>25 (600), 2020</p> <p>25 (1800), 2020</p> <p>25 (2020)</p> <p>10 (2020)</p>	<p>Report by Regional Development Councils</p> <p>Report by Regional Development Councils</p> <p>Project reports</p> <p>Project reports</p>	<p>Civil Society Organisations are willing to participate in policy dialogue and schools are willed to participate in awareness raising campaigns</p>
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