



United Nations Development Programme (UNDP)

Project Document

## **Chisinau Municipality Development Project**

This project aims at strengthening the Chisinau Municipality Council and Mayoralty's institutional and financial capacity to support achievement of long term development goals and improve service delivery.

The project envisages three main components, and namely: strengthening institutional development and municipal governance; support in reforming municipal public finance; and support for better planning, infrastructure rehabilitation and service delivery improvements.

## COVER PAGE

UNDAF Outcome/Indicator:	<u>UNDAF Outcome 3: By 2011, vulnerable groups in poor rural and urban areas take advantage of sustainable socio-economic development opportunities through adequate regional and local policies implemented by Local Public Authorities (LPAs) and partners.</u>
Expected Outcome/Indicator:	<u>LPAs operate in a more effective and transparent manner</u>
CPAP Expected Output:	<u>Capacities of targeted LPAs are improved to plan, implement and monitor in a participatory manner.</u>
Annual Targets:	see attached Results and Resources Framework
Implementing Partner:	<u>Chisinau Municipality</u>
Responsible parties:	UNDP

Programme Period: 2007-2011  
Programme Component: 2.6  
Project Title: "Chisinau Municipality Development"  
Project ID: 00048640  
Project Duration: 2008-2009  
Management Arrangement: NEX

<b>Total Budget</b>	<b>2,000,000 USD</b>
Allocated resources:	<u>100,000 USD</u>
• Regular	<u>100,000 USD</u>
• LPAs	_____
• Other	_____
In kind contributions	_____
<u>Unfunded budget:</u>	<u>1,900,000 USD</u>

Agreed by Chisinau Municipality: \_\_\_\_\_  
General Mayor

Agreed by UNDP: \_\_\_\_\_  
Resident Representative

## 1. Situational Analysis

1. The UNDP-Government of Moldova 2007-2011 Country Programme foresees development interventions to strengthen local public authorities to operate in a more effective and transparent manner, including the creation of new business and jobs, as well as efforts to increase the participation of communities and civil society organizations in local development planning.
2. Chisinau Municipality represents the most important political, administrative, economic, cultural and educational centre of the Republic of Moldova. With a population of 712 000, representing 18% out of the total country population, the municipality contributes with about 50% in the GDP, ½ in industrial production, while it accounts for 60% of total exports and 90% of total imports and generates over 60% the country's consolidated budget tax revenues<sup>1</sup>.
3. The functioning of Chisinau Municipality public administration is based on the Law of Special Status of Municipality, Law on Local Public Administration and other legal acts. Based on the Law of territorial-administrative organization of the Republic of Moldova, Chisinau Municipality is formed by a group of territorial-administrative units: the Chisinau city (divided in 5 districts), six urban mayoralties and 26 rural localities organized in 11 mayoralties. Excepting Chisinau city (de facto identified with Chisinau Municipality), all other administrative-territorial units enjoy autonomy with regard to their patrimony, local public finances and public services. As new draft Law of special status of Chisinau is not yet approved, there are many contradictions and discrepancies between different legislative acts that regulate the public administration of Chisinau Municipality. In the same context, the organizational structure of Chisinau Municipality Mayoralty is an inertial product of former Soviet system and already several years is subject of reorganization attempts. *Both new elected Mayor and Municipal Council are recognizing the low efficiency of existing local public administration and prioritized its reform*<sup>2</sup>.
4. Chisinau Municipality, assisted by UNDP, developed within the period 2002-2006 its first post-soviet long term development strategy (General Urban Plan 2025), which has been approved by Municipal Council in March 2007. The chapter "Land Zoning Regulation" is currently reviewed by Chisinau Mayoralty and is expected to be approved until the end of 2007 by Municipal Council. In the context of strategic planning efforts, the Chisinau Municipality established in June 2006 the Committee for Sustainable Urban Development and Public Debate, as a forum for discussions, and opinions, formed by political parties' leaders, elected and executive officials of the municipality, NGOs, civil society representatives, and media. The Committee has a secretariat, within the City Hall structure, which is intended to manage the organization of the public debates and spreads widely the information to the media and to the citizens. Additionally, a Citizens Center start to function since September 2006 for information and consultation related to development initiatives and projects. *Despite a large consensus and commitments of all stakeholders, the tactics of implementation is facing serious difficulties and efficiency problems.* The lack of skilled staff employed in public administration organization, combined with a lack of coordination between local public agencies and directorates are manly reasons for this situation<sup>3</sup>.
5. The legal regulatory framework that governs Chisinau operations is not yet fully completed and includes several provisions that are determining overlapping of Chisinau responsibilities with its

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1 Chisinau Municipality General Urban Plan, 2007

2 Political programmes of elected General Mayor all parties that are represented in Municipal Council, 2007

3 UN-HABITAT Concept Note, 2006

subordinated districts. The legal framework does not clearly define the status of Chisinau municipality, the boundaries between districts and the share of the local patrimony among districts and the Municipality itself. Additionally the local council has to undertake too many responsibilities and the *municipal budget is constantly under-funded*. Though Chisinau municipality generates about an half of the country fiscal revenues, the municipality has no power to use all financial revenues generated locally for the maintenance and the development of infrastructure and services. In addition, there is a considerable level of uncertainty regarding the annual amount of transfers from the Central Government to cover the increased expenditures. This is creating difficulties in planning and implementing medium term capital investments. At least two factors<sup>4</sup> affect the future revenues' trends: (a) a weak financial management capacity, including control of the revenue base and (b) accrual accounting is not yet adopted. Modern approaches, such as participatory budgeting, municipal asset management, or multi annual budgeting in coordination with the capital investment program should also be developed, despite the weak decentralization framework with very low degree of fiscal autonomy.

6. The Municipality of Chisinau has been experiencing a slow transition to become an effective service provider for its citizens. Both municipal officials as well as general public opinion believe that its administrative procedures are overly bureaucratic and, thus, costly and ineffective.
7. There are three gaps which impede the implementation of any development efforts of the capital city of the Republic of Moldova<sup>5</sup>:

The management gap refers to the lack of explicit skills, techniques and systems for policy design and policy execution. Symptoms of the management gap are the absence of objectives and performance measurements in relation to most work of the public sector, absence of “value of money” tests applied to outputs, absence of team work, excessive reliance on law and authority for getting things done, the lack of responsibilities assumed at lower levels, and poor co-ordination across organizations.

The comprehension gap applies to those inside the system, meaning existing public servants and refers to the difference between the understandings of the administration as it is now done, and public management as it might be done. This leads to an effort of implementing the necessary changes to make the public administration reform effective.

The confidence gap exists among those inside the system and outside the system as well, namely the public at large, the private sector, and other key stakeholders. This is mainly related to trust and therefore actions should be done to increase transparency, accountability, and measures to prove that there are not secret agendas.

The presented gaps explain the existence of classes of problems generated because of:

- § Fragmented institutional structures and authority
- § Lack of co-ordination and communication in central and local policy making
- § Failures to measure or reveal results
- § Inadequate institutional rules and procedures governing access to key resources by public sector managers
- § Insufficient basis for exercising governance or accountability.

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<sup>4</sup> Concept Paper on Chisinau Public Finances, UN-HABITAT, 2006  
<sup>5</sup> UN HABITAT Concept Note, 2006

8. Recognizing these internal challenges, the Municipal Council undertook certain reform measures in 2006, but these were geared to reduce the number of posts and implemented without the requisite analysis.
9. As a result of the local elections in June 2007, a new Municipal Council and Mayor was elected that wishes to modernize and upgrade the management and capacities of the municipal administration. This call for change creates a window of opportunity to start a long-awaited administration reform, improve local public financial management and service delivery.

## **2. Scope and Strategy**

10. The objective of the project is to **strengthen the Chisinau Municipality Council and Mayoralty's institutional and financial management capacity to support achievement of long term development goals and improve service delivery.**

### **Component A - Institutional Development and Municipal Governance**

#### **Sub-component A.1: Institutional Reform and Capacity Building**

11. The objective of this subcomponent is to enable Chisinau Municipality management processes and structures to effectively face the challenges of municipal development. It entails five specific objectives: (a) to strengthen/improve Chisinau Municipality organization and management; (b) to implement strategic human resource management; (c) to improve the performance of support systems and service delivery; (d) to decentralize and integrate planning and management of Chisinau Municipality programs; and (e) to improve Chisinau Municipality operations through procurement, allocation, and maintenance of municipal public assets.

#### **Sub-component A.2: Improved Municipal Governance**

12. The objective of this subcomponent is to improve Chisinau Municipality transparency and responsiveness by increasing the involvement of various stakeholders in municipal governance. It entails four specific objectives: (a) to increase the transparency of resource management and improve Chisinau Municipality communication with internal and external stakeholders; (b) to improve the interaction between the Municipal Council, Mayoralty and subordinated bodies; (c) to improve coordination between Chisinau Municipality and other public sector actors; (d) to increase the number and effectiveness of partnerships between Chisinau Municipality and nongovernmental actors.

### **Component B - Municipal Public Finance**

#### **Sub-component B.1: Municipal Public Revenues System improved**

13. The objective of this sub-component is to increase municipal public revenues by enhancing the capacity of the municipality to better manage its own revenue sources. It entails three specific objectives: (a) a solution to improve the current systems of taxes and fees in the short term and long term; (b) to improve the internal management of the different fees; (c) to improve the capacity to attract additional revenues.

#### **Sub-component B.2: Financial and Asset Management**

14. The objective of this sub-component is to improve the Municipality's planning, execution, and control of budgetary functions and systems. To do so, the following six specific objectives will be pursued: (a) to improve the process of budgetary planning, in order to ensure that the different units submit their budget plans in a timely and accurate fashion; (b) to improve the distribution of financial resources, in order to ensure that budgets are executed according to the plans; (c) to improve the financial, procurement, and management systems; (d) to improve the budgetary execution and control systems; (e) to support the implementation of the national budgetary system; and (f) to provide general support to improve the municipal expenditure system.

### **Component C - Planning, Infrastructure Rehabilitation and Service Delivery Improvements**

This component will support urban planning and targeted investments to improve critical urban services. It is divided into two subcomponents:

#### **Sub-Component C.1: Planning and Management of Urban Space**

15. This sub-component will provide support to the municipality to improve the efficacy of the management and the planning of services through the development of Spatial and Sectoral Plans and the implementation of the General Urban Plan. It will provide the municipality with the methodological tools, training, technical assistance and mentoring to undertake planning. It will also review the tasks that are needed to improve the management of urban space, assist in the approval of infrastructure plans, develop spatial and sectoral plans, as well as the restructuring of the processes and procedures related to the granting of land use rights and land ownership, and the implementation of an information system for these purposes. It entails two specific objectives: (a) to improve the management of urban space; and (b) to improve the special and sectoral planning.

#### **Sub-Component C.2: Service Delivery Improvements**

16. The objective of the sub-component is to support the Mayoralty, through TA and advice, to increase the availability and the quality of service delivery through an adequate management of investments to show tangible improvements. The sub-component will include the following results and associated activities: a) support the improvement of design and quality of a number of municipal services; b) provide advice for the elaboration of investments projects for a number of services.

#### **Suggested timeframe**

- 17. This initiative is an adaptable project, with a first phase of 6 month and a clear commitment by Chisinau Municipality for the second phase of 1,5 years, based on clear triggers: approval of the reform strategy, funds availability and performance.**

The first phase (6 month) will focus on:

- Preliminary assessment and elaboration of a reform strategy: to be undertaken by a team of qualified (national and international) consultants; the consultants would also draft the detailed terms of reference for the next stage, i.e. functional analysis.
- Functional analysis of the Municipality administration and subordinated bodies: to be undertaken by an expert international company; the functional reviews will result in specific recommendations with a draft action plan and timeframe for their implementation. The specific objectives of the functional analysis entail:

- § aligning the roles and responsibilities of municipal bodies for policy development and its implementation according to good governance principles stipulated in the reform strategy (to be developed);
  - § eliminating overlapping responsibilities by better consolidation of organizational functions around service lines;
  - § designing organizational structures and procedures conducive to more effective and efficient achievement of strategic goals and service provision;
  - § identifying functions, which do not contribute to municipal responsibilities, or unfunded mandates for discontinuing;
  - § designing proper delegation (=implementing a subsidiarity principle) and accountability mechanisms, including at the level of pretura;
  - § assessing staffing needs and capacities and formulating recommendations for further action; and
  - § developing institutional optimization plans and assessing their budget implications.
- Analysis/review of Financial and Budget Management: to be undertaken by an international expert/company; the reviews will result in specific recommendations with a draft action plan and timeframe for their implementation. The specific objectives of the analysis entail:
    - § review of institutional structures and legislation related to budget and financial areas;
    - § analysis of systems for planning, budget, financial administration, accounting and internal control; budget formulation process and execution;
    - § analysis of human resource management in budget and financial areas;
    - § fiscal information disclosure;
    - § municipal procurement system,
  - Capacities-building needs assessment in terms of local public expenditure management, strategic planning, investment programming, budgeting, implementation and procurement, assets management, accounting and financial reporting, internal controls and monitoring, evaluation and audit;

The second phase (1,5 years) will focus on:

- Support for institutional restructuring, capacity building and fundamental reforms in Municipal Administration and in general financial management and revenue generation and collection in particular.
- Support for improvement of governance (e-governance) through increased responsiveness and transparency towards citizens
- Support for low cost, quick win infrastructure and service delivery improvements
- Support for planning for larger infrastructure and service delivery investments
- Other activities as per project document

### **3. Project Deliverables Outline**

#### **Activity 1: Provide support for Institutional Reform and Capacity Building**

##### **Actions:**

- 1.1. Preliminary assessment and elaboration of a reform strategy
- 1.2. Functional analysis of the Municipality administration and subordinated bodies (including the development of the Organizational Structure of the Municipality and Regulations for the efficient

functioning of all subordinated bodies of the Municipality with clear obligations and responsibilities among them)

- 1.3. Draft the Action Plan, based on recommendations of the functional analysis, and budget
- 1.4. Capacity-building needs assessment
- 1.5. Support for the elaboration of a Capacity Development Plan
- 1.6. Provide training for Municipal Council, and municipal civil servants
- 1.7. Organise exchange visits

## **Activity 2: Advocate for and support Municipal Good Governance**

### **Actions:**

- 2.1. Support the creation and activity of a Civil Society Advisory Committee at the municipality level
- 2.2. Support the elaboration of good governance indicators in a participatory manner (Urban Observatory)
- 2.3. Setting up and management of local monitoring and evaluation system (Urban Observatory)
- 2.4. Monitoring of good governance indicators
- 2.5. Map the information and communication flow, design, test and implement the information and communication system for the Municipality (ensure a proper management of documentation, with a unified information system for the entire Municipality)
- 2.6. Design and implementation of on-line information system for citizens and info-kiosks
- 2.7. Provide training in communication and ICT
- 2.8. Awareness campaign

## **Activity 3: Support the improvement of Municipal Revenues System**

### **Actions:**

- 3.1. Assessment of the current systems of taxes and fees and provide recommendations for improvement in the short term and long term;
- 3.2. Provide training and TA to improve the internal management of the different fees;
- 3.3. Provide training and TA to improve the capacity to attract additional revenues;
- 3.4. Provide equipment to improve the municipal revenue system.
- 3.5. TA in leveraging municipal domestic credit market resources as well as private sector funding
- 3.6. Support awareness campaign

## **Activity 4: Financial and Asset Management**

### **Actions:**

- 4.1. Analysis/review of Financial and Budget Management system and provide recommendations to improve the process of budgetary planning, in order to ensure that the different units submit their budget plans in a timely and accurate fashion;
- 4.2. Provide advice to improve the distribution of financial resources, in order to ensure that budgets are executed according to the plans;
- 4.3. Elaboration of an internal administrative procedures manual covering fiscal, personnel, administrative, local councillors & citizens/CSOs participation issues.
- 4.4. TA for the preparation of annual budgets (i.e. review existing budget preparation procedures and prepare a budget manual as appropriate; assist the municipality financial staff to prepare an annual budget and amend as necessary). Support in the evaluation of all the fixed assets, TA for the design of a Register of the municipality territories and the incorporation of the Register in the accounting ledger.
- 4.5. Provide training and TA to improve the financial, procurement, and management systems; budgetary execution and control systems; and implementation of the national budgetary system;



## **Activity 5: Provide Advise and Training for better Planning and Management of Urban Space**

### **Actions:**

- 5.1. Training and TA to improve the management of urban space;
- 5.2. TA in elaboration of the operational plan (5 years) in implementation of the General Urban Plan 2025
- 5.3. Provide TA, training, information operational systems and equipment for the utilizing ICT in implementation and monitoring of the urban zoning and land use regulations
- 5.4. TA in piloting Zone Urban Plan in one of the sectors of the municipality
- 5.5. TA in elaboration of the detailed General Urban Plan for historical part of the city
- 5.6. TA for implementation of a pilot PPP revitalization project in historical part of the city
- 5.7. Training and technical assistance in improving the management of urban spaces

## **Activity 6: Service Delivery Improvements**

### **Actions:**

- 6.1. Asses the management of main municipal service delivery operators and provide recommendations for increasing their effectiveness, including computerized monitoring of the activity of municipal services
- 6.2. Support the improvement of design and quality of a number of municipal services
- 6.3. Provide advice for the elaboration of investments projects for a number of services. TA in elaboration and promotion of 3 pilot investment projects for municipal infrastructure and service delivery improvement
- 6.4. Provide technical assistance for:
  - optimization of the traffic fluidity management and parking system (including through the mandatory construction of underground parking in new buildings)
  - elaboration of Municipal crisis management plans in the fields of water supply and centralized heating
  - increasing the quality of public transportation services (including a feasibility study regarding the concession of the park of autobuses)
  - developing a mechanism to provide social support (regulations for the compensation of costs for heating and water services)
  - evaluating and developing adequate mechanism for the cost of heating services
  - development of a strategy of management of locative spaces, including the reform of the management of locative spaces, development of a data base which will include all the relevant information into one system
  - reforming the management of public wastes
  - identifying opportunities for street lighting using alternative energies

\*the priority activities will be selected and determined by the Project Steering Committee.

#### 4. Results & Resources Framework

##### Intended Outcome as stated in the Country Programme Results and Resource Framework:

##### LPAs operate in a more effective and transparent manner

##### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets.

- § Increase in the number of vulnerable groups that report greater access to services and economic opportunities  
*Baseline* TBD by the end of 2006 (Public Opinion Survey)  
*Target*: TBD by the end of 2006
- § Tempos of the local budgets income growth (without grants and remittances from the state budget);  
*Baselines*: the tempos of the local budgets incomes growth (without grants and transfers from the state budget) – minus 3.3% in 2004, 2005 data  
TBD by the end of 2006 (Ministry of Finance)  
*Target*: enhanced financial independence of the LPAs;
- § Proportion of the local budget (State budget and / or own resources) used to finance local programmes and projects  
*Baseline*: TBD at the end of 2006 (LPA reports)  
*Target*: TBD at the end of 2006
- § Number of public consultations including meetings at local level with the participation of public associations/NGOs/CSOs, protecting the rights of children, youth, women, PLWHA etc.), within the framework of the local budgets planning procedure  
*Baseline*: In 2003-2005, 147 (on budget and local development) (LPA reports, NGO Survey)  
*Target*: Increased numbers of meetings/ consultations
- § Number of proposals, received from NGOs and endorsed by LPAs within the framework of consultations on local budget planning issues  
*Baseline*: TBD in 2006 (NGO Survey)  
*Target*: TBD in 2006
- § Number of CSOs, which participate in planning, implementation, monitoring and evaluation of regional development plans/programmes/projects  
*Baseline* TBD in 2006 (NGO Survey)  
*Target*: TBD in 2006
- § Number of CSOs, which provide new services and implement projects  
*Baseline* TBD in 2006 (NGO Survey)  
*Target*: TBD in 2006

##### Applicable MYFF Service Line: 2.6. Decentralization, local governance and urban, rural development

##### Project title and ID (ATLAS Award ID): Chisinau Municipality Development Project

Intended Outputs (as outlined in CPD/CPAP)	Output Targets for (years)	Indicative Activities (deliverables)	Responsible parties	Inputs
1. Chisinau Municipality Council and Mayoralty's institutional and financial capacity strengthen to support achievement of long term development goals and improve service delivery.	2007  Preliminary assessment 2008  Functional analysis  Draft the Action Plan  Capacity-building needs assessment  2009	<b>Activity 1: Provide support for Institutional Reform and Capacity Building</b>  <b>Actions:</b> 1.1. Preliminary assessment and elaboration of a reform strategy 1.2. Functional analysis of the Municipality administration and subordinated bodies 1.3. Draft the Action Plan, based on recommendations of the functional analysis, and budget 1.4. Capacity-building needs assessment 1.5. Support for the elaboration of a Capacity Development Plan 1.6. Provide training for Municipal Council, and municipal civil servants 1.7. Organise exchange visits	Municipal Council Mayoralty PB PST	International consultancy Mission costs Local consultancy Room + equipment for training Equipment Meeting costs Printing costs Dissemination costs Sundries
	2007  Civil Society Advisory Committee	<b>Activity 2: Advocate for and support Municipal Good Governance</b>  <b>Actions:</b> 2.1. Support the creation and activity of a Civil Society Advisory Committee at the municipality level	Municipal Council Mayoralty CSO MID	Local consultancy Equipment

functional 2008  2009	<p>2.2. Support the elaboration of good governance indicators in a participatory manner (Urban Observatory)</p> <p>2.3. Setting up and management of local monitoring and evaluation system (Urban Observatory)</p> <p>2.4. Monitoring of good governance indicators</p> <p>2.5. Map the information and communication flow, design, test and implement the information and communication system for the Municipality</p> <p>2.6. Design the web page and online content for the Municipality</p> <p>2.7. Provide training in communication and ICT</p> <p>2.8. Awareness campaign</p>	PB PST	Meeting costs Printing costs Dissemination costs Sundries
2008  2009	<p><b>Activity 3: Support the improvement of Municipal Revenues System</b></p> <p><b>Actions:</b></p> <p>3.1. Assessment of the current systems of taxes and fees and provide recommendations for improvement in the short term and long term;</p> <p>3.2. Provide training and TA to improve the internal management of the different fees;</p> <p>3.3. Provide training and TA to improve the capacity to attract additional revenues;</p> <p>3.4. Provide equipment to improve the municipal revenue system.</p> <p>3.5. TA in leveraging municipal domestic credit market resources as well as private sector funding</p> <p>3.6. Support awareness campaign</p>	Municipal Council Mayorality CSO MoF PB PST	International consultancy Mission costs Local consultancy Equipment Meeting costs Printing costs Dissemination costs Sundries
2007  Analysis/review of Financial and Budget Management  2008  2009	<p><b>Activity 4: Financial and Asset Management</b></p> <p><b>Actions:</b></p> <p>4.1. Analysis/review of Financial and Budget Management system and provide recommendations to improve the process of budgetary planning, in order to ensure that the different units submit their budget plans in a timely and accurate fashion;</p> <p>4.2. Provide advise to improve the distribution of financial resources, in order to ensure that budgets are executed according to the plans;</p> <p>4.3. Elaboration of an internal administrative procedures manual covering fiscal, personnel, administrative, local councillors &amp; citizens/CSOs participation issues.</p> <p>4.4. TA for the preparation of annual budgets (i.e. review existing budget preparation procedures and prepare a budget manual as appropriate; assist the municipality financial staff to prepare an annual budget and amend as necessary)</p> <p>4.5. Provide training and TA to improve the financial, procurement, and management systems; budgetary execution and control systems; and implementation of the national budgetary system;</p>	Municipal Council Mayorality CSO MoF PB PST	International consultancy Mission costs Local consultancy Equipment Meeting costs Printing costs Dissemination costs Sundries
2007 2008 2009	<p><b>Activity 5: Provide Advise and Training for better Planning and Management of Urban Space</b></p> <p><b>Actions:</b></p> <p>5.1. Training and TA to improve the management of urban space;</p> <p>5.2. TA in elaboration of the operational plan (5 years) in implementation of the General Urban Plan 2025</p> <p>5.3. Provide TA, training, information operational systems and equipment for the utilizing ICT in implementation and monitoring of the urban zoning and land use regulations</p>	Municipal Council Mayorality CSO MoF MoEC MLPA PB PST	International consultancy Mission costs Local consultancy Meeting costs Printing

		<p>5.4. TA in piloting Zone Urban Plan in one of the sectors of the municipality</p> <p>5.5. TA in elaboration of the detailed General Urban Plan for historical part of the city</p> <p>5.6. TA for implementation of a pilot PPP revitalization project in historical part of the city</p> <p>5.7. Training and TA to improve the management of urban space;</p>		<p>costs</p> <p>Dissemination costs</p> <p>Sundries</p>
2007 2008 2009	<p><b>Activity 6: Infrastructure Rehabilitation and Service Delivery Improvements</b></p> <p><b>Actions:</b></p> <p>6.1. Asses the management of main municipal service delivery operators and provide recommendations for increasing their effectiveness, including computerized monitoring of the activity of municipal services</p> <p>6.2. Support the improvement of design and quality of a number of municipal services</p> <p>6.3. Provide advice for the elaboration of investments projects for a number of services. TA in elaboration and promotion of 3 pilot investment projects for municipal infrastructure and service delivery improvement</p> <p>6.4. Provide technical assistance for:</p> <ul style="list-style-type: none"> <li>• optimization of the traffic fluidity management and parking system (including through the mandatory construction of underground parking in new buildings)</li> <li>• elaboration of Municipal crisis management plans in the fields of water supply and centralized heating</li> <li>• increasing the quality of public transportation services (including a feasibility study regarding the concession of the park of autobuses)</li> <li>• developing a mechanism to provide social support (regulations for the compensation of costs for heating and water services)</li> <li>• evaluating and developing adequate mechanism for the cost of heating services</li> <li>• development of a strategy of management of locative spaces, including the reform of the management of locative spaces, development of a data base which will include all the relevant information into one system</li> <li>• reforming the management of public wastes</li> <li>• identifying opportunities for street lighting using alternative energies</li> </ul> <p>*the priority activities will be selected and determined by the Project Steering Committee.</p>	<p>Municipal Council</p> <p>Mayoralty</p> <p>CSO</p> <p>MoF</p> <p>MoEC</p> <p>MLPA</p> <p>PB</p> <p>PST</p>	<p>Local consultancy</p> <p>Equipment</p> <p>Meeting costs</p> <p>Printing costs</p> <p>Dissemination costs</p> <p>Sundries</p>	
<p><b>Target 2007:</b></p> <p>Project team formed and fully operational.</p> <p><b>Overall targets:</b></p> <p>1. Ensure at least 95% delivery rate;</p> <p>2. Timely implementation of planned activities;</p>	<p><b>Activity 7: Project Management and communication</b></p> <p><b>Actions:</b></p> <p>5.1. Recruit project staff</p> <p>5.2. Rent and equip the office</p> <p>5.3. Launch the project</p> <p>5.4. Implement projects activities</p> <p>5.5. Annual monitoring and external evaluation by the end of the project period</p>	<p>PB</p> <p>PST</p>	<p>Permanent staff (3 representatives),</p> <p>Office space,</p> <p>Equipment,</p> <p>UNDP assistance.</p>	

	3. Timely development and submission of work plans and progress reports; 4. Compliance with UNDP rules and regulations.			
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## 5. Management Arrangement

This project will be coordinated by the Mayorality (Municipal Council), the project’s implementing agency, and will be funded by several donors. UNDP Moldova will support the implementation of the project through services (according to the Agreement between the Government of Moldova and UNDP for provision of support services for National Execution Modality from May 27, 2003) and more specifically, services of personnel recruitment, including project personnel and local and international consultancy and procurement of goods, according to UNDP rules and procedures. UNDP will provide narrative and financial reporting to the donor on a regular basis as determined by specific cost-sharing agreements. UNDP follows in the implementation of project and programmes the international standards set under PRINCE 2.

Management arrangements for the Chisinau Municipality Development project (CMD Project) are designed using the PRINCE2 project management methodology.

### Management Structures

**CMD Project Board:** The focal point of the CMD project management architecture is the CMD Project Board. The Board is the overall authority for CMD Project and is responsible for its initiation, direction, review and eventual closure. Within the confines of CMD Project, the Board is the highest authority.

The CMD Project Board represents at managerial level the interests of UNDP, CMD Project partners (such as SIDA, USAID, EC) and stakeholders (Mayor, Municipal Council representatives, relevant Government ministries, local Governments (urban, rural mayoralties), CSOs and private sector). Board members will be senior managers and will have authority and responsibility for the commitment of resources to the project, such as personnel, cash and equipment. The CMD Project Board will ‘manage by exception’, meaning Board members will be regularly informed of CMD Project progress but will only be asked for joint decision making at key points in CMD Project implementation.

While joint decision making is required at key points in CMD Project implementation, it is important to note the CMD Project Board is not a democracy controlled by votes. The CMD Project Executive – a UNDP Senior Manager – is the key decision maker because he/she is ultimately responsible for CMD Project’s effective and efficient implementation.

The CMD Project Board is appointed by UNDP programme management to provide overall direction and management of CMD Project. It is responsible for ensuring that the project remains on course to deliver products of the required quality to meet the expected outcomes defined in the CMD Project Strategy/ProDoc. Furthermore, the Board is accountable for the success of the CMD Project and has responsibility and authority for the Project within the instructions set by UNDP programme management.

The CMD Project Board approves all major plans and authorizes any major deviation from agreed CMD Project work plans. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and any parties beyond the scope of the project.

**CMD Project Manager:** It is the responsibility of the CMD Project Manager to plan, oversee and ensure that CMD Project is producing the right outputs, at the right time, to the right standards of quality and within the allotted budget. The main tasks of the CMD Project Manager include:

- Overall planning for the whole project
- Motivation and leadership of CMD Project staff
- Supervise the CMD Project
- Liaison with UNDP Programme Management
- Fund management, allocation, coordination

- Reporting progress to the CMD Project
- CMD Project quality management

**CMD Project Assurance:** Assurance is a key element of the PRINCE2 management method, upon which the CMD Project Management Arrangements are based. ‘Assurance’ is essentially an independent audit function, whereby the CMD Project Board are able to monitor progress against agreed work plans. Though project managers provide regular progress reports to the CMD Project Board, it is in the CMD Project Board’s interest to have an independent Assurance function to verify progress reports and monitor actual progress.

CMD Project Assurance is the responsibility of each CMD Project Board member, however due to the fact that Board members are Senior Managers – and as a result very busy – will likely result in the delegation of the assurance function. CMD Project Assurance work cannot be delegated to the CMD Project managers. It is the responsibility of the CMD Project Board to determine who will fulfil the CMD Project Assurance role, and also to provide guidance on the method by which the CMD Project Assurance will gauge actual progress against CMD Project work plans.

A participatory approach will be used in the implementation of this project. Experts, private companies, NGOs, local communities and key actors from the donor community will be involved in the implementation of the project. Such an approach will provide the basis for reaching consensus amongst all stakeholders and mobilizing all social efforts and available resources to foster the proper implementation of actions envisaged and hence the mitigation of development gaps.

Close cooperation between the UN and other donor agencies will help to avoid duplication, reduce transaction costs and maximize synergies. UNDP and donors that will participate in the project will ensure that all necessary arrangements for co-ordination are made in a timely manner to ensure prompt implementation. This will include an agreement on the division of responsibilities among participating agencies and national partners for the implementation of the activities, management of funds, co-ordination and review of programme results.

## 6. Monitoring & Evaluation

Monitoring and evaluation will follow the UNDP guidelines on Monitoring and Evaluating for Results. A monitoring and evaluation plan will be developed during the inception phase.

In order to ensure the efficient monitoring and evaluation of project results, maintain continuous cooperation between all project’s partners at all stages of Project implementation, the Project Board will meet every three months. The members of the Project Board will provide feedback on lessons learned, propose corrective actions to solve problems, ensure accountability, and make recommendations how to improve the quality of current and future interventions (as per the terms of reference annexed to the project document)

The Project Manager, under the direction of the National Project Coordinator and UNDP Moldova programme representatives, will prepare and submit to the members of the Project Board quarterly work plans and quarterly reports prepared according to UNDP standards.

The project will be subject to the Annual Review. The Project Manager, in consultation with the National Project Coordinator and the Project stakeholders, will be responsible for preparing and submitting to the Annual Review meeting the annual Project Progress Report in UNDP format. It shall be prepared in draft sufficiently in advance to allow review and technical clearance by the Project partners, at least one month prior to the Annual Review meeting.

The implementation of the Project will be coordinated with UNDP. The Project team is encouraged to seek support from other donors active in the field. During the Project implementation, the Project team will continuously assess the risks and seek solutions for their mitigation.