Regional Development in the Republic of Moldova: Status Quo and Perspectives

High Level Discussion

8 October, 2015
Regional Development in RM: Overview (1)


National Strategy for Regional Development I
Development Strategies for 3 Regions (North, South and Centre)

National Strategy for Regional Development II
Development Strategies for 3 Regions (North, South and Centre)
Regional Development in RM: Overview (2)

Ensuring balanced and sustainable socio-economic development

Reducing intra- and inter – regional disparities

Improving institutional (organizational, financial and human) framework

Supporting LPAs in socio-economic development and coordination with national, regional and local strategies and programmes
Regional Development Councils

Roles

Regional Development Councils

- Mayors: 25%
- Civil Society: 25%
- Rayon Presidents: 25%
- Business Community: 25%

Approval of Regional Development Strategy

Approval of financing for regional development projects

Monitoring the implementation of RD Strategy

Priorities

- Improvement of infrastructure
- Improvement of environmental quality & tourism attractiveness
- Diversification of economy & support to private sector development

Support by RDAs

Support by Development Partners
Key achievements

- **Legal and normative framework** in relation to regional development is in place.

- **Institutional framework** in regional development (national and in the 3 development regions) is in place and functional.

- A viable National funding mechanism – **National Fund for Regional Development** – is in place and operationalized. In total, 79 regional development projects in 3 Development Regions amounted at approximately 997 million MDL have been funded to date.

- **11 Regional Sector Programmes** in 4 sectors (WSS, SWM, EE in public buildings, RLR) have been developed in a participatory manner and are currently under implementation.

- A **pipeline of public investment projects** in 4 sectors have been prioritized and are being further developed.
Regional Development Projects - ○

Implementation by RDAs
Since 2010
MRDC /RDAs commitments
> Dec 2015
MLPS commitments
> Dec 2015

Total implementation & commitments
> Dec 2015
79 Projects / ~ 997 million MDL

SWM = Solid waste management, WSS = Water supply & sanitation, EE = Energy efficiency in public buildings, RLR = Regional & local roads, MMDL = Million MDL
Regional Planning and Programming

- Enhanced coordination between institutions at the local, regional and central levels through **coherent and participatory** planning and programming of sector development in the regions, including of public investments

- Regional sector planning and programming ensured in the fields of **water supply and sanitation, solid waste management, energy efficiency in public buildings, and regional and local roads**

- Main processes and instruments:
  - Regional Sector Working Groups
  - Project Working Groups
  - Development of a pipeline of prioritised investment projects
Regional Sector Programmes

Regional Sector Programme is an operational tool that communicates local-level sector priorities to the national level and outside Moldova.

- Transparent, repeatable, participative, bottom-up/top-down approach that links local priorities with national strategies.
- Regional Development Council, supported by Regional Development Agencies as secretariats, is responsible for the approval and implementation of the RSPs

RSP contains per sector and development region:

- analysis of the current situation, including institutional and financing capacities
- regional targets, based on national strategies and targets
- methodology (process, methods, criteria) for identifying priority projects that are responsive to the Regional Sector Programme and contribute to achieving the targets
- action plan for needed reforms at national, regional, and local level
Project development and implementation

- Submission of project concepts by Local Administrations
- Further development of Project concept assisted by experts
- Inter-Ministerial Commission
- Project Working Groups established
- Development of Project Pipeline

- Verified for conformity with Regional Sector Programmes
- Supported by sector representatives and experts
- Capacity development through collaborative process through Regional Sector Working Groups
- Prioritisation of Project Concepts
- Local and Regional institutions support project development
- Dialog with National Funds and Development Partners
  - Maintenance of project pipeline database
Project pipeline

- **Priority projects** – identified using multi-criteria analysis, reflecting compliance with and contribution to achievement of RSP objectives

- **Project pipeline** – medium-term investment plan to promote priority projects in four sectors:
  - Energy efficiency in public buildings (EE)
  - Water supply and sanitation (WSS)
  - Solid waste management (SWM)
  - Regional and local roads (RLR)
## Project pipeline – current status

<table>
<thead>
<tr>
<th>Sector</th>
<th>RSP approval</th>
<th>Project concepts</th>
<th>Inter-ministerial commission</th>
<th>Number of project concepts/prioritized concepts per development region</th>
<th>Prioritized concepts for further development</th>
<th>Total estimated value (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy Efficiency in Public Buildings</strong></td>
<td>February 2014</td>
<td>124/33</td>
<td>Nov 2014</td>
<td>43/12/5 53/13/5 28/8/3</td>
<td>13</td>
<td>19</td>
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<tr>
<td><strong>Solid Waste Management</strong></td>
<td>February 2014</td>
<td>5/5</td>
<td>Apr 2015</td>
<td>2/1 2/1 1/1</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td><strong>Local and Regional Roads</strong></td>
<td>March/April 2015</td>
<td>28/15 (+4)</td>
<td>Have not taken place yet</td>
<td>9/5 12/5 (+4) 7/5</td>
<td>15</td>
<td>138</td>
</tr>
<tr>
<td><strong>Water Supply and Sanitation</strong></td>
<td>June 2014</td>
<td>45/29</td>
<td>Feb 2015</td>
<td>17/12/5 15/11/5 13/6/2</td>
<td>12</td>
<td>35</td>
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Regional Development: perspectives

- The preliminary evaluation of the National Strategies on Regional Development 2010-2012/2013-2015 is completed.

- The evaluation of the Regional Strategies 2010-2016 of the 3 development regions is currently undergoing.

- The development of the draft National Strategy on Regional Development 2016-2020 is under completion.

- The development of the Regional Strategies 2016-2020 of the 3 development regions is initiated.
Draft National Strategy on Regional Development 2016-2020: premises

- Provisions of the EU Cohesion Policy and the EU Association Agreement and its Action Plan are taken into account.

- NSRD 2016-2020 calls for continuity in promotion of the existing regional development paradigm focused on streamlining, effectiveness and ensuring sustainability of invested efforts and created mechanisms.

- The regional development itself presents a joint effort to integrate and synergize sector policies, thus an integrated planning both at regional and national levels is required.

- Effective implementation of this Strategy requires an efficient (multi-sector) coordination at the national and regional level.
Draft National Strategy on Regional Development 2016-2020: main architecture

**Overall Objective** of the NSRD 2016-2020 is:

Balanced and sustainable development is ensured in all development regions of the Republic of Moldova

**Specific Objective 1:**
Access to quality public services and utilities is ensured

**Specific Objective 2:**
Sustainable economic growth in the regions is ensured

**Specific Objective 3:**
Regional development governance is improved
Synergies with other policies

EU-RM Association Agreement

DCFTA

EU ENPI tools, external donor funding

'Moldova 2020' National Strategy

Government Programme 2015-2019

Economic competitiveness and SMEs development policies

Road infrastructure development policy

Public utility (water, sanitation, etc.) development policy

Environment and natural resources protection policies

Service (education, health, social security, etc.) service development policies

Heritage, culture development policies and other public policies

Inter-sectorial approach
Key challenges

- Political endorsement of the new NSRD 2016-2020 and commitment from line ministries
- Definition of inter- and intra-regional disparities based on a sound regional statistics
- Putting in place and efficient Governance in regional development, including effective inter-ministerial coordination and in the regions
- Territorial extension of the development regions (TAU Gagauzia, Chisinau, Transnistria)
- Ensuring synergies between national and external funds for the implementation of the NSRD and RDS, as well as related public investment projects (including pipeline).
- Delivering sound results and positive impact on people
Thank you for your attention and support!

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