

FINANCING AGREEMENT

SPECIAL CONDITIONS

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

of the one part, and

the Government of the Republic of Moldova, hereinafter referred to as "**the Partner**",

of the other part,

have agreed as follows:

Article 1 - Nature of the action

- 1.1. The EU agrees to finance and the Partner agrees to accept the financing of the following action:

Title: Inclusive economic empowerment of focal regions of the Republic of Moldova
CRIS decision number: ENI/2018/041-300

This action is financed from the EU Budget under the following basic act: European Neighbourhood Instrument.

- 1.2. The total estimated cost of this action is EUR 23 500 000 and the maximum EU contribution to this action is set at EUR 23 000 000.

The Partner shall not co-finance the action.

The action is co-financed in joint co-financing by United Nations Development Programme. The breakdown of this financial contribution is shown in Annex I (Technical and Administrative Provisions).

Article 2 – Execution period

- 2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 96 months after this date.

- 2.2. The duration of the operational implementation period is fixed at 72 months.

- 2.3. The duration of the closure period is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) for the Commission

Mr Peter MICHALKO
Head of the EU Delegation to the Republic of Moldova
12, Kogalniceanu Street
MD-2001 Chisinau
Republic of Moldova

b) for the Partner

Ms Maia SANDU
Prime Minister of the Republic of Moldova
1, Piata Marii Adunari Nationale
MD-2001 Chisinau
Republic of Moldova

Article 4 – OLAF contact point

The contact point of the Partner having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

Mr Valeriu CUPCEA,
Head of the International Cooperation Directorate,
National Anti-corruption Centre,
198, Stefan cel Mare Ave., MD-2004, Chisinau, Republic of Moldova
Tel: +373 22 257 351
Mobile: +373 797 43 505
E-mail: valeriu.cupcea@cna.md

Article 5 - Annexes

5.1. This Financing Agreement is composed of:

- (a) these Special Conditions;
- (b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this Action;
- (c) Annex II: General Conditions;

(d) Annex III: Reporting Template - not applicable to and not included in this Financing Agreement.

(e) Annex IV: Management Declaration Template - not applicable to and not included in this Financing Agreement.

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

Articles 18, 19, 25.3, 25.4 and 25.5 of Annex II (General Conditions) do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement.

Where the Partner is the grant beneficiary of an international organisation or national agency entrusted by the Commission with the action, Articles 1.3, 1.5, 1.6, 8.2, 8.3, 8.4 and 8.5 of Annex II (General Conditions) shall apply to the EU-financed activities of the Partner.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

Done in three original copies, two copies being handed to the Commission and one to the Partner.

For the Partner Country:

For the Commission:

H.E. Maia SANDU

Mr Lawrence MEREDITH

Prime Minister of the Republic of Moldova

Director Neighbourhood East and
Institution Building

P.O. Vassilios MARAGOS

Directorate-General for Neighbourhood
and Enlargement Negotiations

Signature:

Sarolee

Date:

24/07/2019

Signature:



Date:

17 JUL. 2019



ANNEX 1: Technical and Administrative Provisions

1. Title/basic act/ CRIS number	Inclusive economic empowerment of focal regions of the Republic of Moldova CRIS number: ENI/2018/041-300 financed under European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Republic of Moldova The action shall be carried out at the following locations: Cahul raion, Ungheni raion of the Republic of Moldova ¹	
3. Programming document	Single Support Framework for EU support to Moldova (2017-2020)	
4. Sector of concentration/ thematic area	Sector 1: Economic development and market opportunities, including sustainable and inclusive economic growth	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 23 500 000 Total amount of EU budget contribution EUR 23 000 000 This action is co-financed in joint co-financing by United Nations Development Programme for an indicative amount of EUR 500 000	
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with an international organisation (United Nations Development Programme) Direct management – procurement of services	
7 a) DAC code(s)	Main DAC code – 43030 Urban development and management ; Sub-code 1 – 43040 Rural development; Sub-code 2 – 140 Water and Sanitation ; Sub-code 3 – 32130 Small and medium-sized enterprises (SME) development; Sub-code 4 - 15170 Women’s equality organisations and institutions	

¹ Hereinafter referred to as Moldova.

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b) Main Delivery Channel	41000 - United Nations agency, fund or commission (UN)				
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"/>	×	
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	×	
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input type="checkbox"/>	×	
	Trade Development	×	<input type="checkbox"/>	<input type="checkbox"/>	
	Reproductive, Maternal, New born and child health	×	<input type="checkbox"/>	<input type="checkbox"/>	
	RIO Convention markers	Not targeted	Significant objective	Main objective	
	Biological diversity	×	<input type="checkbox"/>	<input type="checkbox"/>	
	Combat desertification	×	<input type="checkbox"/>	<input type="checkbox"/>	
	Climate change mitigation	<input type="checkbox"/>	×	<input type="checkbox"/>	
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	×	
	9. Global Public Goods and Challenges (GPGC) thematic flagships	Private Sector, Trade and Regional integration			
	10. SDGs	<p>Goal 5: Achieve gender equality and empower all women and girls</p> <p>Goal 6: Ensure availability and sustainable management of water and sanitation for all</p> <p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>Goal 8: Decent work and economic growth</p> <p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <p>Goal 11: Sustainable cities and communities</p> <p>Goal 13: Take urgent action to combat climate change and its impacts</p>			

SUMMARY

The overall objective of this action is strengthen the economic, territorial and social cohesion and to improve the standards of living of the citizens in focal regions in the Republic of Moldova.

To this end, this programme will address the urban-rural divide and regional disparities, stimulate economic growth and job creation, refurbish and upgrade some social and technical infrastructure in selected focal regions (smaller towns and villages) while taking into account a gender perspective in the activities of the programme.

The focus is upon two focal regions, defined as sub-divisions of the Development Regions identified in the Law on Regional Development in the Republic of Moldova². The intention is to create the political, economic and social conditions, which will enhance women's and men's ability to gain better living conditions and employment in the selected focal regions. In addition, such measures also may help to reduce internal and external migration. Establishing transparency, accessibility and responsiveness in the local governance system and building partnerships between local governments, civil society and community action groups will help to restore trust, promote hope amongst the local communities and empower local citizens. Refurbishing and upgrading the technical and social infrastructure will support the regions efforts to attract the foreign and local investment necessary for the creation of sustainable employment. Support will also be provided to stimulate economic activities and investments, strengthen business support services and job creation.

This programme is in line with the objectives of the 2017-2020 Single Support Framework (SSF) for Moldova³, the EU – Moldova Association Agenda for 2017-2019⁴ and the European Union – Moldova Association Agreement⁵. It will also support the implementation of the Eastern Partnership's "20 Deliverables for 2020" (the action will contribute directly or indirectly to deliverables 1, 2, 4, 6, 15, 16, 18), as they relate to economic development and relevant aspects of 'good governance' and institution building. The proposed activities will also support the implementation of the priorities identified in European Joint Development Cooperation Strategy (Joint Programming Document), the National Regional Development Strategy 2016-2020, and other relevant sector strategies and their corresponding Action Plans.

The programme objective will be achieved through measures targeted at: (i) Capacity building to support the implementation and monitoring of local economic development plans; (ii) civil society engagement in local planning, governance processes and basic social service delivery; (iii) provision of investment funding in support of the creation and/or development of social and technical infrastructure which, combined with the outcomes from interventions (i) and (ii) above, will have an immediate, visible and tangible impact on employment creation, the standard of living of the population in the focal regions.

² Law N° 438, 28th December 2006. The Law identifies six Development Regions: North, South, Centre, ATU Găgăuzi, Chişinău and Transnistria. The proposed focal regions comprise Ungheni (North) and Cahul (South), with a possible fall-back option to shift to Soroca raion.

³ Single Support Framework for EU support to Moldova (2017-2020): https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/single_support_framework_2017-2020.pdf

⁴ OJ L 215, 19.8.2017, p3

⁵ OJ L 260, 30.8.2014, p. 4.

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1. DESCRIPTION OF THE ACTION

1.1 Objectives/results

The **overall objective** is to strengthen the economic, territorial and social cohesion in the Republic of Moldova through facilitating inclusive, sustainable and integrated local socio-economic growth and improving the standards of living of the citizens in the focal regions⁶.

The **specific objectives (SO)** of the action are:

1. To strengthen transparency, accountability of local public authorities and citizen participation in local governance processes in the focal regions,
2. To improve citizens' access to quality public services and utilities in the focal regions,
3. To create employment opportunities for men and women in the focal regions and improve the attractiveness of the pilot regions for investors and entrepreneurs,
4. To promote the smart specialisation of the economy of the focal regions through the development of the clustering and value chain approach in key economic sectors.

The Action aims to achieve the following **results** in the focal regions:

Result 1.1) Increased institutional capacity of LPAs for the implementation of locally-driven, environmentally compliant, socio-economic development strategy for integrated local growth and development,

Result 1.2) Improved and broader stakeholder (e.g. CSO, private sector) engagement in the planning and monitoring of the socio-economic development strategy,

Result 2) Increased quality and availability of public services delivery, including in particular those targeting women; and increased performance of local public utilities,

Result 3) Conditions are more favourable for the attraction of investments, job creation and women and men's entrepreneurship, including social entrepreneurship,

Result 4) Development and functioning of clusters in line with the smart specialisation approach.

A transversal dimension to all the above listed results will be a better cohesion and linkage between the main city of each pilot-region and the rest of the pilot region, including in particular the less favoured areas.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG Goals:

- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for women and men, including for young people and promote development-oriented entrepreneurship, and encourage the formalization and growth of micro-, small- and medium-sized enterprise.
- Goal 11: Sustainable cities and communities

It also promotes progress towards Goals:

- Goal 1: Promoting women's economic empowerment and ensuring women's economic rights will support efforts on poverty eradication
- Goal 5: Achieve gender equality and empower all women and girls

⁶ Selected city and adjacent rural areas (Ungehni and Cahul focal regions, with potential fall-back option of, Soroca), for simplicity hereinafter referred to as 'focal regions'.

- Goal 6: Ensure availability and sustainable management of water and sanitation for all
- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 9: Build resilient infrastructure, promote sustainable industrialisation and foster innovation and increase the access to financial services, including affordable credit, and their integration into value chains and markets
- Goal 13: Take urgent action to combat climate change and its impacts

1.2 Main activities

Under result 1 (1.1 and 1.2)

- Implementing capacity building and mentoring programmes to strengthen the capacities of the local authorities in planning management, implementation, monitoring and evaluation of the local strategies.
- Supporting the development and upgrading (where appropriate) and the implementation of Local Socio-Economic Development Strategy (LSEDS) and Local Economic Development Plans (LEDP)⁷ as well as anti-corruption plans, by using EU, international and local best practices. A strong focus will be placed on gender mainstreaming.
- Implementing capacity building and mentoring programmes to strengthen the capacities of civil society organisations, including women's organisations, grassroots organisations and social entrepreneurs: for improved engagement in local planning, and community-led development and for monitoring local authorities' decision-taking processes (e.g. anti-corruption, public finance management, public procurement, etc.).
- Provision of grants to community-led local initiatives.
- Implementing capacity building and mentoring programmes to strengthen the capacities of the local authorities in providing public services, including in particular those targeting women (such as child care services), and the capacities of specialised facilities in managing services and infrastructures.

Under Result 2

- Building and/or upgrading social, economic and technical infrastructure targeting urban and rural revitalization of the focal regions and linkages of the urban centre with the rural areas.
- Provision of grants to legal entities for the implementation of projects for:
 - Small scale rural development projects,
 - Joint CSOs and LPA's, social entrepreneurs and grassroots organisations' initiatives in the delivery of high-quality, cost-effective social services targeted principally at children, youth, elderly persons and the socially disadvantaged.

Under result 3

- Providing support to strengthen business development services, platforms for business cooperation, marketing, export and brand promotion,

⁷ Being updated by the EU initiative Mayors for Economic Growth

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- Grants (e.g. co-financing; reimbursable grants) will be provided to legal entities for the implementation of projects for:
 - providing support to women and men entrepreneurs, including those involved in social entrepreneurship for improving entrepreneurship knowledge and skills ranging from branding and marketing, ICT skills, market information to innovation and financial management,
 - development of economic activity connected to the rehabilitated social, economic and technical infrastructure. Priority will be given to green and/or innovative local businesses led by women,
 - pilot initiatives in the area of social entrepreneurship for the delivery of social services,
 - architectural designs and beautification projects, providing eco-innovative and attractive solutions for re-shaping urban centres,
 - implementing joint initiatives with the diaspora to address needs prioritised by the community.

Under result 4

- Providing support to the creation and functioning of business linkages, such as clusters and/or value chain development (I.e. smart specialisation).

1.3 Intervention logic

In order to create synergies between regional and rural development to achieve long lasting environmentally sustainable socio-economic development and in view of improving the quality of life in the selected focal regions, this Action will intervene in the following way:

Firstly, the emphasis will be placed on development of capacities of local communities (i.e. public authorities, CSO, businesses, etc.) to properly implement local socio-economic development strategies and local economic development plans in a participative manner (including all relevant stakeholders), according to an inclusive and evidence-based approach, with a strong focus on smart use of local resource and integrated approach towards sustainability as well as an enhanced added value for citizens and economic operators.

The second stream of activities will target the promotion of economic development by providing specific support to the development of SMEs and of social entrepreneurship, identification and development of the economic advantages of the focal regions, encouragement of innovation, technology transfer and high-value added economic activities.

Thirdly, the focus will be on creation and modernisation of public infrastructure that, combined with the above-mentioned points, will increase the overall potential of this Action to achieve concrete and sustainable outcomes in view of improving the standards of living in the targeted area.

2. IMPLEMENTATION

2.1. Implementation modalities

The envisaged assistance to the Republic of Moldova is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁸.

2.1.1. Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Evaluation, Audit	Services	2	Q4 2025

2.1.2. Indirect management with an international organisation (UNDP)

This action may be implemented in indirect management with the United Nations Development Programme (UNDP). This implementation entails provision of capacity building and coaching activities to local public authorities, CSOs, entrepreneurs, community groups, design and implementation of hard investments in local focal region infrastructure, small scale socio-economic rural infrastructure, as well as grant support to economic regeneration and implementation of CSOs initiatives and all activities will be covered under one delegation agreement which will entail co-delegation. UNDP will be responsible for the implementation of all activities described under Section 4.2.

Specific implementation activities under 4.2 of this Action targeting youth, children, culture and sports will be co-delegated to UNICEF Moldova (Specialised UN Agency in this field).

Implementation through UNDP is justified as the proposed action: 1) will use existing successful cooperation and implementation arrangements with UNDP, which will secure timely and qualitative implementation of the Action to the benefits of the focal regions; 2) in the past few years UNDP has developed in Moldova extensive competences and have worked in almost 2/3 of all rural communities in the country; 3) UNDP has recognised competencies in the areas of local governance, community-led development and rural development.

The entrusted entity will carry out the following budget-implementation tasks: running the public procurement, grant award procedures; concluding and managing the resulting contracts, including making of the related payments, monitoring and evaluation.

2.3 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.

⁸ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

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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 realisation of this action impossible or exceedingly difficult.

2.4 Indicative budget

	EU contribution (amount in EUR)	Indicative third-party contribution, in currency identified
Objective/Results 1,2,3,4 <Inclusive economic empowerment of focal regions of the Republic of Moldova > composed of	23,000,000	500,000
5.3.2. – Indirect management with UNDP	22,800,000	
5.8 - Evaluation, 5.9 - Audit	200,000	
Total	23, 000,000	500,000

2.5 Organisational set-up and responsibilities

For the activities of the Action, a multi-stakeholder approach will be followed to ensure wide participation and consensus.

The main counterparts of this action will be local stakeholders including representatives of the local public authorities, civil society organisations and the private sector, Regional Development Agencies, ODIMM the Ministry of Agriculture, Regional Development and Environment, the State Chancellery, the Ministry of Finance and the Ministry of Economy and Infrastructure.

A Steering Committee (SC) for the action will be created at national level. The SC will review and advice on its overall implementation. The Steering Committee shall meet at least once a year or more frequently if needed. The Delegation of the European Union to Moldova will co-chair the Project Steering Committee together with the Minister of MARDE. The SC will include the main counterparts described above, the Delegation of the European Union to Moldova, the Implementing partner, CALM and the Regional Development Agencies in whose regions the focal regions are located. Other relevant EU or other donor funded project representatives will be invited as observers. UNDP will play the role of Secretariat of the National Steering Committee.

Local Steering Committees will be established in each of the focal regions. The Steering Committee shall review and guide the work of the action and shall supervise its overall implementation at the level of the focal region. The Delegation of the European Union to Moldova will co-chair the respective Local Steering Committees together with the Mayors

of Ungheni and Cahul. The Local Steering Committees will include the Delegation of the European Union to Moldova, the Implementing partner, the local public authorities within the focal regions, together with representatives from civil society, business community, other relevant stakeholders (e.g. academic institutions) and the Regional Development Agencies in whose regions the focal regions are located. The Local Steering Committees will be responsible for coordination and monitoring implementation of the Action in their respective focal regions. The Local Steering Committees will meet every three months. UNDP will play the role of Secretariat of the Local Steering Committees.

The line ministries, which act as partners in the action's implementation process, and their decentralized institutions at local level, as well as the RDAs will be responsible for providing information and data, for the purpose of assessing the Action's implementation progress at local level. The RDAs and local public authorities will be the main responsible bodies, involved with the implementing partner, in the monitoring and evaluation of the local development projects' implementation. The Local Public Authorities in the focal regions (LPAs) will provide the EU Delegation, Implementing partner and the RDAs with the necessary information regarding the progress achieved in the implementation of the local projects in question.

2.6 Performance monitoring and reporting

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 (for project modality). 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).

2.7 Evaluation

Having regard to the importance of the action, an ex-post evaluation will be carried out for this action via independent consultants contracted by the Commission.

The Commission shall inform the implementing partner at least 3 months 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 Q4 2025.

2.8 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 Q4 2025.

2.9 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.

The Communication and Visibility Requirements for European Union External Action (2018)⁹ and any updated versions shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

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.

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 the Republic of Moldova.

⁹ https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

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.

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.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, Directorate General for Neighbourhood and Enlargement Negotiations, 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.

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APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁰

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, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To strengthen the economic, territorial and social cohesion in the Republic of Moldova through facilitating inclusive, sustainable and integrated local socio-economic growth and improving the standards of living of the citizens in the focal regions	Level of regional GDP (average for both focal regions)	17% (2017)	19% (2023)	- National Bureau of Statistics	
Specific objective(s): Outcome(s):	Specific objective (SO) 1 To strengthen transparency, accountability and citizen participation in local governance processes in the focal regions.	Degree of engagement of CSOs in local planning, governance process and in public service delivery	Baseline to be established at the beginning of the project through an analysis by the project implementer	Improvement in terms of number of CSOs involved and in terms of quality	- Minutes of local council meetings - Minutes of CSOs/LPAs joint meetings/seminars/workshops - Progress reports of jointly implemented projects	
	Specific objective (SO) 2: To improve citizens' access to quality public services and utilities in the focal regions,	People's level of satisfaction with the improved or new services/utilities, disaggregated by the type	0 (2018)	At least 70% satisfied with the improved services (35% men and 35%	- Satisfaction survey - Ministry of Agriculture, Regional	

¹⁰ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

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	of services			women).	development and Environment report
	Population connection rate (%) to improved services, disaggregated by the type of services in target focal regions	20% 2018		35% (2023)	- Water supply, solid waste and waste water treatment utilities reports - MARDE reports - Local authorities reports
Specific objective (SO) 3: To create employment opportunities for men and women in the focal regions and improve the attractiveness of the focal regions for investors and entrepreneurs,	Number of people benefitting from innovative socio-economic development opportunities in the focal regions	0 (2018)		200,000 people (2023)	- National Bureau of Statistics - Local public authorities reports
	Employment levels of residents in target focal regions, disaggregated by sex	32,5 % (2016)		34 % (2023)	- Progress reports
	Number of jobs created, disaggregated by sex	Number of jobs created – 1, 146 (2015)		Number of jobs created by 20% increase (2023)	National Bureau of Statistics - Ministry of Economy reports on implementation of the SME strategy
	Number of SMEs created	(0) 2018		At least 500 jobs (of which 30% taken by women) are created (2023)	- ODIMM reports on action plan implementation

				- Eurostat / National Bureau of Statistics data	
Specific objective (SO) 4: To promote the smart specialization of the economy of the focal regions through the development of the clustering approach in key economic sectors.	Number of clusters in each pilot region	2018: 0	2023: 3 per pilot region	- Progress reports, TAIEX mission	
	Number of companies connected to a cluster	N-A	Increase	Progress reports	
	Cluster performance, and profiling on the European Cluster Collaboration Platform	N-A	Increased cluster performance	Qualitative assessment performed by the project implementer or by TAIEX	

Outputs:	<p>Result 1.1) Increased institutional capacity of LPAs for the implementation of locally-driven environmentally compliant socio-economic development strategy for integrated local growth and development.</p> <p>Result 1.1) Improved and broader stakeholder (e.g. CSO, private sector) engagement in the planning and monitoring of the socio-economic development strategy,</p>	<p>No of CSOs involved in joint actions with LPAs in the target regions</p>	<p>3 CSOs involved in joint actions with LPAs (2018)</p>	<p>10 CSOs involved in joint actions with LPAs (2023)</p>	<ul style="list-style-type: none"> - Minutes of Local council sessions - CSOs reports - ODIMM reports - Progress reports - Ministry of Agriculture, Regional development and Environment reports - Local authorities annual reports - LPA's HR reports 	<p>Local public authorities (LPAs) develop and maintain a constructive and transparent cooperation with key stakeholders, civil society organizations, existing private actors and business associations</p>
		<p>No of CSOs proposed suggestions (proposals) to local plans and budgets adopted by local authorities in the two pilot regions</p>	<p>0 (2018)</p>	<p>10 suggestions (proposals) to local plans and budgets adopted by LPAs</p>		
		<p>No. of social entrepreneurship initiatives</p>	<p>(0) 2018</p>	<p>5 social entrepreneurship initiatives (2023)</p>		
		<p>No. of priority local development projects implemented</p>	<p>0 (2018)</p>	<p>10 priority local development projects implemented (2023)</p>		
	<p>% of staff from local public authorities trained</p>	<p>40% of staff from local public authorities are trained (2018)</p>	<p>80% of staff from local public authorities are trained (2023)</p>			

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	<p>Result 2) Increased quality and availability of public services delivery and local public utilities performance,</p>	<p>Number of people benefitting from improved local public services and renovated infrastructure</p> <p>Number of inter-municipal cooperation established for the management of the public service</p>	<p>(0) 2018</p>	<p>At least 200,000 people benefitting from improved public services and renovated infrastructure (2023)</p>	<p>- Reports on implementation of national regional development strategy</p> <p>- WHO/UNICEF / Eurostat / National Bureau of Statistics data</p>	
	<p>Result.3) More favourable conditions for the attraction of investments and for women and men's entrepreneurship, including social entrepreneurship; job creation is stimulated, especially in less favoured areas.</p>	<p>Number of business development services developed</p> <p>Number and quality of brand promotion activities supported</p> <p>Number of business supported, including women</p> <p>Number of social entrepreneurs supported, including women</p>	<p>N.A</p>	<p>Increase/improvement</p>	<p>- Progress Reports on implementation</p> <p>- National Bureau of Statistics data</p>	

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	Result 4) Development and functioning of clusters in line with the smart specialisation approach.	Number of cluster development workshops Number of clusters supported in each focal region Clusters registered and profiled on the European Cluster Collaboration Platform	N-A 0	3 per focal region	- Progress Reports on implementation	
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