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Consolidated Annual Report on Activities Implemented under the Joint Integrated Local Development Programme (JILDP) in Moldova

**Report of the Administrative Agent
for the period 1 January - 31 December 2013**

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

31 May 2014

PARTICIPATING ORGANIZATIONS



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United Nations Development Programme (UNDP)



United Nations Entity for Gender Equality and the
Empowerment of Women (UN WOMEN)

CONTRIBUTORS



Denmark

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EXECUTIVE SUMMARY

This Consolidated Report on activities implemented under the Joint Integrated Local Development Programme (JILDP) covers the period from 1 January to 31 December 2013. This report is in fulfillment of the reporting requirements set out in the Standard Administrative Arrangement (SAA) concluded between the Administrative Agent (UNDP MPTF Office) and the Contributor. In line with the Memorandum of Understanding (MOU), the Report is consolidated based on information, data and financial statements submitted by Participating Organizations. The report provides the Steering Committee with a comprehensive overview of achievements and challenges associated with the Joint Programme.

The Joint Integrated Local Development Programme is implemented by the Government of the Republic of Moldova with the assistance of UNDP and UN Women and the financial support of the Governments of Denmark and Sweden. The JILDP is designed to improve the policy framework, as well as to support the administrative systems and procedures focused on efficient transfer of competencies to Local Public Administrations (LPAs), decentralization and promotion of LPAs' role in decision making.

During the 1st phase of implementation (2010-2012) the JILDP facilitated the formulation of decentralization policies in key areas of the reform, including the National Decentralization Strategy (approved by the Moldovan Parliament), as well as the development of an adequate institutional framework that leads the decentralization process. At the local level JILDP provided a number of local public authorities with the necessary management tools to operate more effectively in preparation for the administrative and fiscal decentralization. Women and men from the JILDP pilot communities were mobilized and empowered to participate effectively in local development processes focused on community priorities jointly identified with LPAs. In this 2nd phase JILDP will continue supporting sustainable local development, better and accessible service provision facilitated by the improved legal and institutional framework in line with the changes brought by the National Decentralization Strategy. The Programme framework comprises two inter-related components: (1) The Policy Support for the Implementation of the Decentralization Strategy, and (2) The Local Governance Development Component.

During 2013, the main outcome of JILDP assistance was improving the policy and legal framework on fiscal decentralization. Based on JILDP supported analysis and simulations, an amended Law on local public finances was approved by the Parliament in November 2013. The new system changes radically the way local governments are funded, thus improving strongly the quality and sustainability of Moldovan democracy. A new system of local government finances will be introduced from 2015, while three raions and the Capital City will pilot the system during 2014.

JILDP contributed successfully to strengthening the administrative capacity of 30 local governments from Moldova by focusing on improving internal management mechanisms and upgrading knowledge and skills of local government staff. Based on a thorough capacity assessment exercise, the 30 local governments were assisted in identifying their needs and were supported in implementing their main institutional development priorities. At the same time, the staff from 30 local governments improved their skills in key areas of local public administration and was provided with tailored on-the-job assistance to improve internal regulations and procedures.

JILDP initiated the establishment of demonstration models of inter-municipal cooperation (IMC) practices in Moldova. As result of the JILDP assistance, 40 LPAs from 10 territorial clusters unified their efforts to build IMC platforms for joint local public service delivery and joint infrastructure development. Over 100,000 citizens are targeted by 10 IMC projects ready to start implementation in 2014.

The Joint Programme uses a combination of parallel funding coming from Regular Resources (UNDP and UN WOMEN) and pass-through funding modality for the Denmark contribution.

The Multi-Partner Trust Fund Office (MPTF Office) of the United Nations Development Programme (UNDP) serves as the Administrative Agent of the pass-through funded portion of the Joint Programme. The MPTF Office receives, administers and manages contributions from Contributor, and disburses these funds to the Participating UN Organizations in accordance with the decisions of the Steering Committee. The Administrative Agent receives and consolidates annual reports and submits to the Steering Committee.

This report is presented in two parts. Part I is the Annual Narrative Report and Part II is the Financial Report as of 31 December 2013 for the pass-through funded portion of the JP.



PART I: ANNUAL NARRATIVE REPORT

Programme Title & Project Number
<ul style="list-style-type: none"> • Programme Title: Joint Integrated Local Development Programme / JILDP • MPTF Office Project Reference Number: 00085561
Participating Organization(s)
UNDP UN Women
Joint Programme Cost (US\$)
Total approved budget as per project document: JP Contribution: <ul style="list-style-type: none"> • UNDP 2,289,022 • UN Women 292,775 Agency Contribution <ul style="list-style-type: none"> • UNDP 180,000
Government Contribution (<i>if applicable</i>)
Other Contributions (donors) (<i>if applicable</i>)
TOTAL: 2,761,797
Programme Assessment/Review/Mid-Term Eval.
Evaluation Completed <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Evaluation Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Country, Locality(s), Priority Area(s) / Strategic Results
Republic of Moldova United Nations Partnership Framework Outcomes: 1.1. Increased transparency, accountability and efficiency of central and local public authorities 2.1. People have access to more sustainable regional development, economic opportunities – innovation and agriculture in particular – and decent work
Implementing Partners
State Chancellery of the Government of Moldova
Programme Duration
Overall Duration: 36 months Start Date: 01 January 2013 Original End Date: 31 December 2015 Actual End Date: 31 December 2015 Have agency(ies) operationally closed the Programme in its(their) system? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Expected Financial Closure date: 31 December 2015
Report Submitted By
<ul style="list-style-type: none"> ○ Name: Narine Sahakyan ○ Title: Deputy Resident Representative ○ Participating Organization (Lead): UNDP Moldova ○ Email address: narine.sahakyan@undp.org

ABBREVIATIONS

APA	Academy of Public Administration
CALM	Congress of Local Authorities of Republic of Moldova
CPA	Central Public Administration
CDP	Capacity Development Plan
CSO	Civil Society Organization
GE	Gender Equality
GM	Gender Mainstreaming
GoM	Government of Moldova
HR	Human Rights
HRBA	Human Rights Based Approach
IMF	International Monetary Fund
IMC	Inter-municipal Cooperation
JILDLP	Joint Integrated Local Development Programme
LPA	Local Public Administration
LSED	Local socio-economic development strategies
NGO	Non-Governmental Organization
PC	Parity Commission on Decentralization
RM	Republic of Moldova
SIDA	Swedish International Development Cooperation Agency
SC	State Chancellery
UN	United Nations
UNPF	United Nations Partnership Framework
UNDP	United Nations Development Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WG	Working Group

I. PURPOSE

JILD DP builds on the priorities of the Government Programme ‘European Integration. Freedom, Democracy and Wellbeing’, as well as the National Decentralization Strategy (2013-2014) and UN-Republic of Moldova Partnership Framework (2013-2017), in which increase transparency, accountability and efficiency of central and local public authorities and ensure people access to more sustainable regional development, economic opportunities – innovation and agriculture in particular – and decent work are identified as major concerns.

The JILD DP development objective is to support better and equitable service provision and sustainable local development, facilitated by the improved legal and institutional framework resulting from the implementation of the National Decentralization Strategy.

Immediate Objectives of the programme are:

- To support the Government in improving the policy and legal framework as mandated by the National Decentralization Strategy to ensure local autonomy, availability of resources, and more effective local management for better and equitable service provision.
- To improve the capacity of LPAs to deliver efficient, equitable and accessible local public services, to facilitate sustainable development and foster social inclusion.

While the JILD DP applies a holistic approach to programming tackling the challenges at all levels of the governance, it puts the human rights and gender equality issues in the centre of all its activities. Thus, at the policy level the programme focused on ensuring transparent, non – discriminative, inclusive and evidence-based policy making. At the local level the programme’s key focus was on development of capacities of local authorities on rights based and gender responsive policy and budget planning and implementation.

The following *outputs* are planned for completion in the programme components:

- Policy and legal frameworks to support autonomous, efficient and financially-sustainable LPAs developed and implemented
- Capacities of LPAs and communities strengthened to deliver better services to citizens and create models of LPAs - in line with changes brought by the Decentralization Strategy

II. RESULTS

i) Narrative reporting on results

Programme outcomes

The main outcome of JILD DP’s assistance at the national level was the improvement of the policy and legal framework in fiscal decentralization. Based on JILD DP supported analysis and simulations, an amended Law on local public finances was approved by the Parliament in November 2013. A new system of local government finances will be introduced from 2015, while three raions and the Capital City will pilot test the system during 2014. The new system changes radically the way local governments are funded, thus improving strongly the quality and sustainability of Moldovan democracy.

At the local level the main outcome of JILD DP activity was setting of the ground for the changes in 30 local communities, both at local government and rural population level. Public administrations from JILD DP target communities have assessed their capacities and elaborated, in a participatory way, Capacity Development Plans (CDP) and local socio-economic development strategies (LSED) using a gender-responsive human rights based approach. The implementation of the CDPs and LSED strategies has been initiated with JILD DP

grants and will continue with the own efforts of the communities. The piloting of inter-municipal cooperation was initiated in 10 JILDP target communities and more than 30 neighboring villages with the purpose of setting up joint communal services operators, joint waste management enterprises, common building and exploration of road infrastructure and joint emergency units.

The gender mainstreaming and human rights-based approach was key in both the elaboration and promotion of the decentralization policies as well as in starting the implementation of local development initiatives. This innovative approach aims to ensure that women and vulnerable groups benefit equitably from the reform, while women and men enjoy equal opportunities and rights. In addition, this approach is expected to bring a necessary local democratic foundation for a sustainable and equitable local development, and accountable, good local governance.

Programme Outputs and Results:

Output 1. Policy and legal frameworks to support autonomous, efficient and financially-sustainable LPAs developed and implemented

During 2013 JILDP continued **providing support to the Parity Commission to function efficiently and lead the decentralization process**. The programme offered permanent legal expertise, informational, clerical and technical assistance for the regular meetings of the Parity Commission and its sectoral working groups, where important documents like fiscal decentralization, sectoral decentralization strategies, the methodology for local governments' capacity assessment, etc. were discussed and endorsed.

Based on JILDP supported analysis and simulations, a **new system of local government finances will be introduced from 2015**, while three raions and the Capital City will pilot test the system during 2014. An amended **Law on local public finances was approved by the Parliament in November 2013**. During August-October 2013 **more than 1200 local officials** (mayors, finance directors, etc) **were informed and trained** about how to determine their revenues and plan their budgets under the provisions of the revised law. The new local government finance system is a long awaited legal act, aiming to eliminate a very important remnant of the Soviet governance system; it changes radically the way local governments are funded, thus improving strongly the quality and sustainability of Moldovan local democracy. The new system provides strong incentives for rational and efficient fiscal management, incentivizes the establishment of local taxes and increases accountability. Local authorities would be more accountable to their constituencies, following further consolidation of local democracy foundations in line with the human rights based approach (HRBA) principles of transparency, participation, accountability, non-discrimination and gender equality.

At the request of the Parity Commission, all Ministries have initiated the **elaboration of gender-mainstreamed Sectoral Decentralization strategies** using technical assistance provided by JILDP. To support this process a **guide of sectoral decentralization strategies was elaborated** and was presented at a workshop with the participation of the representatives of all sectoral working groups. In addition JILDP delivered a **practical workshop on gender-mainstreaming of public policies**, with focus on sector decentralization strategies, to over 50 representatives coming from at least 20 lines ministries and other central public authorities (CPAs).

The Ministries of Education and Social Protection completed the pre-final drafts of these policy documents. The Ministry of Education organized 2 public consultations and **included provisions of the Education decentralization strategy in the Education Code**. Initial recommendations for gender mainstreaming of the developed drafts were provided to both Ministries.

Output 2. Capacities of LPAs and communities strengthened to deliver better services to citizens and create models of LPAs - in line with changes brought by the Decentralization Strategy

Following a thorough **capacity assessment** exercise, the Local Governments from 30 local communities were assisted in improving their operation and functionality by identifying the main drawbacks and strong points in their activity and **developing institutional development plans** based on their specific capacity development priority needs. All local governments were offered grants to implement **institutional development projects** designed to strengthen their administrative capacity. These projects reflect the priorities from the local governments' institutional development plans and have elements of human rights based approach and gender responsiveness.

The **technical skills and knowledge of mayors and the local government staff from all 30 JILD DP target communities were improved during a series of specialized trainings** in the following fields: public procurement, public finance management and tax collection, and human resource management. These are comprehensive training programs spanning over 2 to 4 modules. In 2013 the first modules of these trainings were delivered for 144 beneficiaries. All training sessions were positively assessed by the participants, while the evaluation tests recorded an improvement of the participant's knowledge of up to 20% in the above mentioned fields. The trainings are also combined with **on-the-job assistance** provided individually and tailored to the specific needs of each local government for improving their internal operations, regulations and procedures.

In 2013 the program facilitated the **exposure of the mayors to international and local innovation and good practices in local governance**. A group of 21 mayors from Moldova (including 16 women mayors) learned about innovative approaches and exchanged knowledge with their counterparts from South-Eastern European countries at the NEXPO regional municipal forum in Croatia. In addition, the women-mayors representatives of the Women Network of the Moldovan Congress of Local Authorities (CALM) presented during the event the successful experience of the Network during a special side event on gender equality. The NEXPO regional municipal forum is the largest event of this kind in South-East Europe organized by the Network of Local Authorities from the South East Europe.

JILD DP also organized a **quarterly meeting** of the mayors to update them on the last developments on fiscal decentralization, e-governance and other opportunities for participation and cooperation for local governments, as well as on local democracy, HRBA, gender mainstreaming and women empowerment as applied to local development and decentralization.

Operationalizing HRBA, gender mainstreaming and women empowerment into local development, **20 communities have been assisted to prioritize and roadmap (in a participatory way) the design and implementation of local development initiatives which are most needed by community groups, especially by women and most vulnerable ones**. A pool of experienced community facilitators assisted the target communities in profiling their situation and priority needs. In the communities with sizeable Roma population, the developed projects incorporate a strong Roma inclusion and empowerment component.

Following the Governmental priority to promote the Inter-Municipal Cooperation (IMC) as an important tool in supporting the decentralization, **the JILD DP contributed significantly to developing the legislative and regulatory framework on IMC, building the necessary local capacities and setting up the ground for piloting a wide range of public services based on IMC**. More specifically, **the Government of Moldova has been assisted to draft the relevant legislative changes** for implementing this important objective of the National Decentralization Strategy.

The JILD DP facilitated exchange of information and **transfer of knowledge** for 16 mayors and government officials in the field on Inter-municipal cooperation by organizing a demonstrative study tour to IMC associations in Czech Republic.

To support the IMC piloting in Moldova, **10 pilot/demonstrative IMC projects are being developed and prepared for implementation.** Over 40 local public administrations [>100,000 inhabitants], grouped in 10 territorial clusters, are being assisted to identify and organize the common mechanisms for joint service provision: setting up joint communal services operators, joint waste management enterprises, cooperative renovation and maintenance of roads, joint emergency units. In this regard, three contracted consultancy entities delivered comprehensive assistance packages to 10 target LPA-clusters: trainings, opportunities assessments, feasibility studies, inter-municipal cooperation agreements and management plans. At the beginning of 2014, 10 LPA-clusters will submit to JILDP for granting the IMC project applications.

At the same time, a **demonstration pilot project on joint waste management service provision** has been implemented in the Telenesti cluster (Telenesti town and 7 neighborhood communities), ensuring access to garbage collection services to over 25,000 citizens.

By receiving a comprehensive JILDP technical assistance package, **30 communities succeeded to update their socio-economic development plans** in compliance with the human rights and gender equality principles. These plans are also conducive to an enabling environment for rural economic and business development. It was the first time that these communities prioritized their development projects by involving not just active local stakeholders (administration, business and civil society organizations), but also representatives of women groups and community vulnerable groups: elderly, poor, disabled, youth, ethnical (particularly Roma) and religious minorities groups.

Describe any delays in implementation, challenges, lessons learned & best practices

The main lessons learned during the JILDP implementation are highlighted below:

- Continuing engagement with all stakeholders, from local government representatives up to high level (political) decision makers is key to ensure reforms are accepted, supported, and key legislation passed and enacted.
- The programme's outputs should be synchronized, to the extent possible, with the electoral cycle (have policy options for more sensitive issues or radical reforms ready for implementation for the beginning of a political mandate).
- Improving and institutionalizing direct accountability of local governments towards their constituencies, as well as other HRBA and GE principles, is essential as it ensures sustainability and integrity of a decentralized system.
- Sectoral decentralization strategies have to be linked to / integrated into the general sectoral development strategies (e.g. Education Strategy and Education Code include decentralization provisions), which in their turn should be rights-based and gender-mainstreamed.
- Capacity building efforts (including training and institutional development) should target local authorities and, specifically, Central Government bodies. Decentralization cannot be successfully implemented without a strong Central Government capacity to analyze, plan and monitor.
- Strengthening the administrative capacity of local governments is a fundamental pre-requisite for a successful decentralization reform. Large local governments, like the JILDP target communities, have a significant potential to become drivers of local development and genuine examples of successful local governance, but their capacity is still inadequate and requires support and assistance to be consolidated. The government has to define its vision about reducing the territorial fragmentation, and optimizing the territorial-administrative division of the territory and, after public debates involving all stakeholders, should adopt a clear policy.
- Inter-communality in Moldova is not yet a self-sustainable process. Building of a solid cohesion approach and supporting of a strong leadership must be pre-conditions for initiating an IMC project.

- Professional communication with the public and all the central and local authorities involved greatly improves the chances for reform implementation. JILDLP's support for developing the visual identity of the decentralization reform and its components (including such instruments as the IMC) helped better coordinate and communicate activities conducted throughout the country by different actors and organizations under the same banner. This helped unify and thus strengthen the message of the decentralization reform currently underway in Moldova, which is: stronger municipalities, quality and accessible local services and people involved in local decision-making.

Qualitative assessment

The implementation of the Action Plan of the SND is progressing as planned with essential JILDLP support, both for the, by now functional, institutions in charge of coordination and implementation (Parity Commission, State Chancellery, and Parliamentary Commission) and for the absolutely necessary policy analysis underpinning the reform. JILDLP has made good progress in policy work, preparing the ground for significant changes in 2014 – 2015, even if implementation by government has been at times, slower than expected.

The new system of local government finance (introduced by the amended law) gathered a broad consensus, including mayors, officials from the Ministry of Finance, national and international experts. The new system increases transparency and equity, as well as accountability of local authorities to the people by removing the dependence on the raion through negotiated transfers. The new system provides strong incentives for rational and efficient fiscal management, incentivizes the establishment of local taxes. Its implementation is acutely needed as indicators measuring fiscal autonomy continue to deteriorate, highlighting the impact of perverse incentives of the current system, diminishing local revenue mobilization and favoring reliance on state resources.

The sectoral decentralization strategies are elaborated by working groups bringing together all stakeholders, use a HRBA/GE approach and provide direct input into the Sectoral development strategies and the new laws. They aim to clarify the allocation of competencies and (financial, property and human) resources between the central and local governments, while defining the institutional framework for service delivery and the needed steps for the strategies' implementation. Such policy documents have been drafted and await ministerial approval following public consultations in the following fields: patrimony, education, social services, water and sanitation, waste management, youth and sports. The process to develop these sectoral strategies has been affected by delays and other external factors, including the lack of funding for technical assistance. The sectoral decentralization strategy for education provides a positive example of provisions being included in the Education Code law draft, which helps clarify the provision of Education services at the local level and improves efficiency and effectiveness.

The local interventions complement the policy work, by building the capacities and conditions for successful implementation of the reforms, proving to Moldovan citizens that change is possible and better services can be delivered. JILDLP contributed successfully to strengthening the administrative capacity of 30 local governments from Moldova by focusing on improving internal management mechanisms and upgrading knowledge and skills of local government staff, and initiated inter-municipal cooperation for local service provision in 10 clusters gathering 40 local authorities.

There are two underlying reasons for the broad acceptance, and many times consensus, of the reforms: a) the mutual trust built between the government (central and local) staff and the JILDLP team and their experts, and b) the gradual improvement of the government staff capacity, through policy papers, workshops, exchanges and training programs. Another enabling factor was the multilateral partnership and dialogue with other UN entities and international organizations: UNICEF, Council of Europe, USAID, World Bank and IMF. Each institution has contributed to the elaboration of policy proposals or local interventions. A sustained communication campaign has improved the acceptance and buy-in of the stakeholders.

Joint implementation of the program by the two agencies – UNDP and UN Women – each with its specific set of expertise and knowledge is a key factor for ensuring the comprehensiveness and sustainability of the provided technical assistance and support, in line with the normative basis of the UN.

“One UN” coordination at all levels – from the highest to technical levels – brought the necessary synergy and mutual complementarity to the program implementation.

ii) Indicator Based Performance Assessment

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Outcome: To support better and equitable service provision and sustainable local development, facilitated by improved legal and institutional framework resulting from the implementation of the National Decentralization Strategy			
Output 1: Policy and legal frameworks to support autonomous, efficient and financially-sustainable LPAs developed and implemented			
<p>Indicator 1.1. A system of local public finance that ensures local governments' fiscal autonomy in place</p> <p>Baseline: Lack of a local public finance system in line with the Decentralization strategy. Policy options for fiscal decentralization elaborated</p> <p>Planned Target: Rules and procedures for fiscal option implementation for the Ministry of Finance drafted</p>	<p>•New system of local government finances approved for implementation from 2015, while three raions and the Capital City will pilot test the system during 2014</p>		<p>Law nr.267 from 1.11.2013, http://lex.justice.md/md/350367</p>
<p>Indicator 1.2 Sectoral decentralization strategies designed and implemented in a gender-mainstreamed manner</p> <p>Baseline: Draft sectoral decentralization strategies for education, social services and property</p> <p>Planned Target: At least 3 sectoral decentralization strategies developed and 3 sectoral strategies implemented</p>	<p>•Guide for Sectoral decentralization strategies developed • Draft of Decentralization Strategy in Education adjusted after 2 public debates • Provisions of the Education decentralization strategy in the Education Code included • Draft of the decentralization strategy in culture developed • Draft of the decentralization strategy in youth and sport developed • Methodology of the decentralization strategies in communal service developed • Monitoring and Evaluation Methodology of the implementation of the National Decentralization Strategy was developed • Methodology of gender-mainstreaming sector decentralization policies provided</p>		<p>•Guide for Sectoral decentralization strategies</p> <p>• Draft of the decentralization strategy in culture, sport and youth</p> <p>• Minutes from public debates</p> <p>•Monitoring and Evaluation Methodology of the NDS implementation •Methodology of gender-mainstreaming sector decentralization policies</p>
<p>Indicator 1.3 Legislation amended, # of proposals for amending the legal framework in main</p>	<p>•An amended Law on local public finances was approved by the Parliament in November 2013 • Amendments of the 7</p>		<p>Law nr.267 from 1.11.2013, http://lex.justice.md/md/350367/• Minutes of Parliamentary</p>

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
<p>decentralization areas</p> <p>Baseline: Draft proposals for legislative framework amendment submitted to Parliamentary Commission on Decentralization (as of 2012)</p> <p>Planned Target: Legislation amended. Amendments provided to at least 5 relevant laws</p>	<p>laws in lines of decentralization approved by the specialized Parliamentary commissions</p>		<p>commissions meetings</p>
<p>Indicator 1.4 Training programs designed and embedded into Academy of Public Administration curricula</p> <p>Baseline: Introduction training on decentralization issues piloted</p> <p>Planned Target: Elaboration of 3 training modules for the APA initiated</p>	<p>4 Training programs elaborated on public property, public procurement, public finance management and tax collection, and human resource management</p>		<p>Training programs on public property, public procurement, public finance management and tax collection, and human resource management</p>
<p>Indicator 1.5 # of Governmental officials, LPA representatives, CSOs trained in specific decentralization areas including gender equality aspects</p> <p>Baseline: Limited number of Governmental officials, LPA representatives, CSOs trained in specific decentralization areas including on HRBA and GE</p> <p>Planned Target: At least 70 Governmental officials, LPA representatives trained in implementation mechanisms of specific decentralization areas</p>	<ul style="list-style-type: none"> • More than 1200 local officials (mayors, finance directors, etc) were informed and trained about New system of local government finances • Practical workshop on gender-mainstreaming of public policies, with focus on sector decentralization strategies, to over 50 CPA representatives organized 		<ul style="list-style-type: none"> • Agenda of seminars, workshops • Presentation materials for seminars and workshops
<p>Indicator 1.6 Functional technical committees within CALM to provide services to its members. Functional and strengthened CALM Women's Network</p> <p>Baseline: No functional technical</p>	<ul style="list-style-type: none"> • Communicators' CALM Women Network was assisted to share regionally their positive experience • At least 5 capacity building activities for CALM women mayors implemented in 2013 		<ul style="list-style-type: none"> • Study visit reports • Draft of the CALM Women Strategy

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
committees within CALM. CALM Women's Network created in 2011. Planned Target: Functional technical committees within CALM to provide services to its members. Functional Network of Women mayors within CALM			
Indicator 1.7. # of debates and consultations on specific decentralization areas organized for various groups of stakeholders (disaggregated by gender, type, etc.) Baseline: Over 2500 people consulted on draft Decentralization strategy (2010-2012) Planned Target: 10 public debates, consultations and awareness raising events on specific decentralization areas organized	<ul style="list-style-type: none"> •Decentralization communication plan for 2013 developed •Communication officers from all line ministries and raions were trained •7 public debates and consultation on sectoral decentralization issues organized • 19 seminars on fiscal decentralization, conducted in partnership with CALM and LGSP • Team for decentralization was constituted to include representatives of the Communication Bureau of the State Chancellery, donor organizations, and CALM • The presentation of the first successful example of an inter-municipal cooperation project at work in Telenesti raion organized 		<ul style="list-style-type: none"> •Decentralization communication plan for 2013 •Agendas of debates, seminars, workshops • Materials for seminars • Evaluation reports • List of Communication team • Mass media publications
Output 2: Capacities of LPAs and communities strengthened to deliver better services to citizens and create models of LPAs - in line with changes brought by the Decentralization Strategy			
Indicator 2.1 # of LPAs with public management improved Baseline: 0 LPAs with improved public management performance at local level Planned Target: Selection of target communes based on a set of criteria. Baseline set up	<ul style="list-style-type: none"> • 30 target rural communities were selected and approved by JILD DP board, • Out of the selected target communities, 10 are cluster centers for IMC projects, and 20 are beneficiaries of concentrated capacity building support 		<ul style="list-style-type: none"> • Selection criteria concept paper • JILD DP Board minutes as of 21 March 21 2013
Indicator 2.2 Systems and procedures applied to improve LPAs operations in the areas of	30 target local governments benefited from on-the-job qualified assistance to improve operations and procedures in the area of		<ul style="list-style-type: none"> • Activity reports

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
gender-responsive and rights-based planning and financial management, tax collection, property, procurement, human resource management Baseline: Low public management performance and poor internal regulations and operations in the key areas of LPAs activity Planned Target: Systems and procedures to improve LPAs operations designed	human resources management, public finance management and procurement.		
Indicator 2.3 % of local officials (public servants/elected officials) from target communes trained Baseline: Very limited number of public servants benefited from professional development trainings (only cca 30% of public servants from target LPAs in the last three years) Planned Target: 20% of local officials trained (public servants/elected officials)	Circa 40% of the local governments' staff from 30 target localities participated in the first modules of specialized trainings in public finance management, human resource management and public procurement		<ul style="list-style-type: none"> • Agendas • List of participants • Training materials • Activity reports • LPA capacity assessment questionnaire
Indicator 2.4 # of local public services created/extended/improved disaggregated by: a) # of models of local public services (disaggregated by types) created b) # of model Inter-municipal projects implemented to be replicated nation-wide Baseline: a) limited number of public services created/developed and provided by LPAs at local level; b) no national experience in IMC projects implementation Planned Target: Planning and	20 projects to develop model local public services in 20 target communes, and 10 IMC pilot projects for 40 communities grouped in 10 clusters have been developed and prepared for implementation. a) Projects for the reconstruction of education and youth infrastructure in 5 communities, modernization of agro-markets in 2 communities, development of social assistance infrastructure in 1 community, rehabilitation of public lighting in 4 communities, extending water supply in 1 community, setting up of		<ul style="list-style-type: none"> • Minutes of the projects' evaluation committee • Project documents and contracts • Draft feasibility studies • Endorsed IMC agreements

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
initiation activities for model services implementation started in at least 10 communes and 5 clusters	communal services operators in 4 communities, rehabilitation of road and public space infrastructure – 3 communities. b) Initiated and assessed the feasibility of 10 IMC projects for 10 clusters: setting up of 3 joint waste management enterprises, setting up of 6 joint communal services operators, and a joint re-construction and further maintenance of an inter-community pedestrian road.		
Indicator 1.1.2 More equitable access of women and men in target communities to improved local public services and infrastructure in 20 communes and 10 clusters of municipalities Baseline: Limited access of women, men and vulnerable groups to public services at local level Planned Target: At least 20,000 local stakeholders (50% of total number - women) benefiting from improved local public services and infrastructure	More than 100,000 of potential beneficiaries, out of which about 50% of women, will benefit from increased access to public services as a results of implementing IMC projects		<ul style="list-style-type: none"> • Project documents and contracts • Draft feasibility studies • Endorsed IMC agreements • Community Profiles
Indicator 2.5 # of LPAs with regional development project proposals developed and submitted for financing Baseline: Limited number of LPAs that have accessed regional development funds and have developed regional development project proposal Planned Target: 5 LPAs with regional development project proposals developed	Feasibility studies elaborated for 10 regional projects (IMC framework)		<ul style="list-style-type: none"> • Project documents • Draft feasibility studies • Endorsed IMC agreements
Indicator 2.6 # of local businesses created, % of them women-owned	Local socio-economic development strategies focusing on local economic and	Developing the Local Social Economic Development Strategies	<ul style="list-style-type: none"> • 30 Local Social and Economic Development Strategies (LSEDS)

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
<p>(with equal involvement of women and men)</p> <p>Baseline: Almost no or very few employment opportunities at local level, particularly in the private sector; no tools for attracting investment and economic development at local level</p> <p>Planned Target: Investments' guides elaboration started</p>	<p>business development, job creation and more equitable employment opportunities for women and men developed/updated in 30 target communities.</p>	<p>was the first stage of JILDIP interventions for local economic and business development. These documents provide the strategic framework for further local business development activities, as well as informative support for developing the investment guides to be developed as part of JILDIP in 2014</p>	<p>approved or in the process of approval</p> <ul style="list-style-type: none"> • Local Governments' decision on LSEDSL approval • Lists of participants in public hearing regarding the local economic and social development strategies

PART II: ANNUAL FINANCIAL REPORT

DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the Joint Integrated Local Development Programme funds using the pass-through funding modality as of 31 December **2013**. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/JMD10>.

1. SOURCES AND USES OF FUNDS

As of 31 December **2013**, one contributor has deposited US\$ **2,607,968** in contributions and US\$ **1,193** has been earned in interest,

bringing the cumulative source of funds to US\$ **2,609,161** (see respectively, Tables 2 and 3).

Of this amount, US\$ **2,581,797** has been transferred to two Participating Organizations, of which US\$ **764,185** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **26,080**. Table 1 provides an overview of the overall sources, uses, and balance of the JP as of 31 December **2013**.

Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)*

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	-	2,607,968	2,607,968
Fund Earned Interest and Investment Income	-	1,193	1,193
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	-	2,609,161	2,609,161
Uses of Funds			
Transfers to Participating Organizations	-	2,581,797	2,581,797
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	-	2,581,797	2,581,797
Administrative Agent Fees	-	26,080	26,080
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	-	103	103
Other Expenditures	-	-	-
Total: Uses of Funds	-	2,607,980	2,607,980
Change in Fund cash balance with Administrative Agent	-	1,181	1,181
Opening Fund balance (1 January)	-	-	-
Closing Fund balance (31 December)	-	1,181	1,181
Net Funded Amount to Participating Organizations	-	2,581,797	2,581,797
Participating Organizations' Expenditure	-	764,185	764,185
Balance of Funds with Participating Organizations			1,817,612

* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2013.

Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)*

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Government of DENMARK	-	2,607,968	2,607,968
Grand Total	-	2,607,968	2,607,968

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest

to the AA. As of 31 December 2013, Fund earned interest amounts to US\$ 1,193 and there is no interest received from Participating Organizations. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)*

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Administrative Agent			
Fund Earned Interest and Investment Income	-	1,193	1,193
Total: Fund Earned Interest	-	1,193	1,193
Participating Organization			
Total: Agency earned interest	-	-	-
Grand Total	-	1,193	1,193

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2013, the AA has transferred US\$ 2,581,797 to two Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNDP	-	-	-	2,289,022	-	2,289,022	2,289,022	-	2,289,022
UNWOMEN	-	-	-	292,775	-	292,775	292,775	-	292,775
Grand Total	-	-	-	2,581,797	-	2,581,797	2,581,797	-	2,581,797

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2013** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in table 5 below, the cumulative net funded amount is US\$ **2,581,797** and cumulative expenditures reported by the Participating Organizations amount to US\$ **764,185**. This equates to an overall Fund expenditure delivery rate of **30** percent. The agency with the highest delivery rate is UN Women (32%) followed by UNDP (29%).

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
UNDP	2,289,022	2,289,022	-	670,816	670,816	29.31
UNWOMEN	292,775	292,775	-	93,369	93,369	31.89
Grand Total	2,581,797	2,581,797	-	764,185	764,185	29.60

5.2 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditures incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditures are reported in the new eight categories. The old and new categories are noted to the right.

Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

In **2013**, the highest percentage of expenditure was on Contractual services (43%). The second highest expenditure was on Transfers and grants (42%), and the third highest expenditure was on Staff and Personnel costs (10%).

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)*

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	
Personnel (Old)	-	-	-	
Training of Counterparts (Old)	-	-	-	
Contracts (Old)	-	-	-	
Other direct costs (Old)	-	-	-	
Staff & Personnel Costs (New)	-	68,295	68,295	9.73
Suppl, Comm, Materials (New)	-	330	330	0.05
Equip, Veh, Furn, Depn (New)	-	2,289	2,289	0.33
Contractual Services (New)	-	303,556	303,556	43.26
Travel (New)	-	10,929	10,929	1.56
Transfers and Grants (New)	-	298,197	298,197	42.50
General Operating (New)	-	18,102	18,102	2.58
Programme Costs Total	-	701,698	701,698	100.00
Indirect Support Costs Total ¹	-	62,487	62,487	8.91
Total	-	764,185	764,185	

Indirect Support Costs: The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all projects are financially closed, this number is not to exceed 7%.

¹ For UN Women the Support Costs are deducted up-front on receipt of transfer, while for UNDP they are deducted during implementation

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the JP Project Document, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December **2013**, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ **26,080** was deducted in AA-fees. Cumulatively, as of 31 December **2013**, US\$ **26,080** has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ **62,487** was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ **62,487** as of 31 December **2013**.
- **Direct Costs:** The Fund governance mechanism may approve an allocation to a Participating Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In **2013**, there were no direct costs charged to the Fund.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.