

**ADDENDUM 2 TO THE FINANCING AGREEMENT**  
**For the Programme "Sector Policy Support Programme in the water**  
**sector ENPI AAP 2009"**

ENPI/2009/020-520

**Special Conditions**

The European Union, hereinafter referred to as "**the EU**", represented by the European Commission, hereinafter referred to as "**the Commission**",

of the one part, and

the Government of Moldova, hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

The following provisions of the Financing Agreement No. ENPI/2009/20520 signed on 13 August 2009 for the implementation of the programme "Sector Policy Support Programme in the water sector ENPI AAP 2009" and amended through Addendum 1 on 6 December 2011 are amended as follows:

**ARTICLE 5 – ADDRESSES**

Article 5 is hereby replaced as follows:

All communications concerning the implementation of this Financing Agreement shall be in writing, refer expressly to the programme and be sent to the following addresses:

**a) for the Commission**

**Mr Pirkka Tapiola**  
Head of EU Delegation to the Republic of Moldova  
Kogalniceanu street 12  
MD 2011, Chisinau  
Republic of Moldova

**b) for the Beneficiary**

**Mr Iurie Leanca**

Prime Minister of the Government of the Republic of Moldova

1, Piata Marii Adunari Nationale

Chisinau

Republic of Moldova

**ARTICLE 6 – ANNEXES**

The new version of Annex II: Technical and Administrative Provisions is attached to this addendum.

All other terms and conditions of the Financing Agreement and its previous addendum remain unchanged. This addendum shall form an integral part of the Financing Agreement and shall enter into force on the date on which it is signed by the last party.

Done in English in two original copies, one copy being handed to the Commission and one to the Beneficiary.

**FOR THE COMMISSION**

**Michael A. Köhler**

Director Neighbourhood

European Commission

Directorate General for Development  
and Cooperation - EuropeAid

Date:

*16.9.2014*

**FOR THE BENEFICIARY**

**Iurie Leanca**

Prime Minister of the Government of the

Republic of Moldova

Date:

*Leanca*  
*26.09.2014*

## TECHNICAL AND ADMINISTRATIVE PROVISIONS

## ADDENDUM NO. 2

BENEFICIARY COUNTRY/REGION	REPUBLIC OF MOLDOVA (hereunder Moldova)		
BUDGET HEADING	21.035100 (formerly 19.080103)		
Title	Sector Policy Support Programme in the Water sector		
Total cost	€ 50 million		
Aid method / Management mode	Sector budget support (€ 42 million) Delegated cooperation (€ 5 million) Technical assistance (€ 3 million)  Direct (BS and TA) and indirect (delegated cooperation) centralised management		
DAC CODE	14020	SECTOR	Water supply and sanitation

## 1. INTERVENTION

### 1.1 Objectives

#### General objectives:

The main objective of this SPSP (Sector Policy Support Programme, SPSP) is to support Moldova in the implementation of reforms in its drinking water and sanitation sector, by providing finance, technical assistance and policy dialogue for priority activities of high-relevance for the Moldovan population and environment.

#### Specific objectives:

This Sector Policy Support Programme (SPSP) aims at helping Moldova to achieve the mid-term objectives of the Strategy of water supply and sewage systems in communities of Moldova, approved through Government Decision of 2007 and further updated in 2014. This will be achieved in close cooperation with other international development partners active in the water supply and sanitation sector and, as such, is expected to boost sector reform and donor-government coordination. Notably, results achieved in other projects will be taken into account when assessing the achievement of budget support matrix indicators. The EC-support will be the biggest grant-based support to the Moldovan water sector (drinking- and waste-water/sanitation sub-sectors) in the period 2009-2011. The introduction of EU quality standards will be promoted throughout the programme and demonstrated in a pilot project with a certified EU Member State development agency in the Nisporeni raion of Moldova.

### 1.2 Expected results and main activities

#### Expected results

(i) Significant speeding-up of the implementation of the Strategy by supporting the Moldovan authorities in better targeting their interventions and (ii) sustainable improvements in the connection of the Moldovan population to safe drinking water and sanitation infrastructure, in line with relevant EU standards and the country's MDG and National Development Strategy goals in the sector (65% of population connected to safe drinking water and 72% to sanitation systems by the year 2015). The SPSP will also assist in reducing nutrient discharges to the Black Sea basin. Priority investment shall be made to reduce risks to public health e.g. by reducing excessive levels of nitrates and microbial contamination in rural drinking water supplies through fencing of well zones, removal of rubbish heaps, public information campaigns and by protecting groundwater in rural areas, e.g. through simple latrine improvement programmes and/or, improved quality of wastewater discharged to rivers by ensuring primary treatment as an interim measure at locations of future urban wastewater treatment plants,

#### Activities

Specific activities to be implemented with support of this SPSP shall include inter alia:

- Preparation and implementation of a drinking water protection programme to tackle the most serious water sources pollutions from a health point of view in rural and urban areas of Moldova, especially nitrate pollution in rural wells
- Preparation of a policy document unifying, updating and prioritising the existing 2007 water strategy and 2005 water Programme in terms of costs and timing
- Construction of new or rehabilitated rural water supply infrastructure to provide 55,000 new connections
- Construction of new or rehabilitated rural wastewater infrastructure to provide 25,000 new connections

- Construction of new or rehabilitated urban water supply infrastructure to provide 55,000 new connections
- Construction of new or rehabilitated urban sewer systems to provide 25,000 new connections · Pilot project in Nisporeni raion through indirect centralised management (EU Member-State development agency).
- Targeted TA and training to Moldovan partner institutions that will enable them to speed-up and implement sector reforms, such as sector planning workshops, advice in tariff and investment cost recovery calculations, and on-the-spot trainings in cooperation with professionals from EU countries
- Promulgation of new Water Law and secondary legislation in view of convergence with EU-acquis
- Improved sanitary conditions in 14 rural schools
- Replacement of water supply pumps and associated equipment in 20 pumping stations
- Replacement of wastewater pumps and associated equipment in 14 pumping stations
- Installation of bulk meters at water supply sources in 40 towns
- Provision of leakage detection equipment and training to three regions, North, Central and South
- Public awareness campaign especially in rural areas, concentrating on water-related child health risks.

With respect to project implementation, in response to the Paris Declaration on aid effectiveness and subsequent Accra Conference of September 2008, the Commission developed a strategy for the implementation of recommendations made at these events, with a view to, inter alia, increase Partner Government Ownership (Demand driven approach and/or country managed programmes); enhance Capacity Building with a strong result orientation; enhance donor coordination; increase the quality and make better use of available technical expertise; and avoid the creation of parallel Project Implementation Units.

## **2 IMPLEMENTATION**

### **2.1 Budget and timetable**

The total budget of this operation is €50 million, divided into (i) a €42 million budget support, (ii) a €5 million pilot activity in Nisporeni raion through a certified Member State development agency and (iii) a €3 million technical assistance.

The operational implementation phase will be 84 months, as from the signature of the present Financing Agreement.

Disbursement of budget support instalments will be contingent on Moldova meeting the indicators detailed in the present Financing Agreement.

The indicative amounts and timing of disbursements are summarised in the table below:

Fiscal year	2009	2012	2013	2014
	1 <sup>st</sup> instalment (fixed)	2 <sup>nd</sup> instalment (variable)	3 <sup>rd</sup> instalment (variable)	4 <sup>th</sup> instalment (variable)
	3 <sup>rd</sup> quarter	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	4 <sup>th</sup> quarter
Conditions	Financing agreement signed. General conditions for the budget fulfilled	Indicators to be achieved by December 2011 monitored and positively assessed	Indicators to be achieved by December 2012 monitored and positively assessed	Indicators to be achieved by October 2014 monitored and positively assessed
Disbursements (as was foreseen in Addendum 1)	€15 million	Max. €14 million	Max. €13 million	
Disbursement payments to date and future disbursements	€15 million	€12.033 million	€8.853 million	Max € 6.114 million

## 2.2 Budget support modalities

The method of management for the programme is centralised, i.e. the budget support operation in itself is managed solely by the Commission.

The budgetary support will be untargeted and as such will be channelled directly into the Unified Treasury Account of the Government of Moldova. Once released, the funds will be used as all other normal budgetary resources of the Government, and managed in compliance with laws and regulations of Moldova.

Foreign-exchange transfers will be entered in the accounts under the value date of the notification of credit to the account of the Central Bank opened for this purpose. The exchange rate will be the middle rate of the interbank foreign currency market on the day of the transfer.

## 2.3 Performance monitoring and disbursement criteria

With regard to the **performance monitoring arrangements**, oversight of the overall programme will be entrusted to a Steering Committee chaired by the Prime Minister and whose members will include representatives of all ministries and institutions involved in the implementation of the present programme and of representatives of the European Commission.

The members of the Steering Committee are:

- The Prime Minister, Chairman (or appointed representative)
- The Minister of Finance
- The Minister of Environment
- The Minister of Construction and Regional Development
- The General Director of Agency Apele Moldovei
- The President of the Raional Council of Nisporeni raion
- A representative of the association of the mayors of Moldova
- A representative of the association of Moldovan water-works
- The Head of the European Union Delegation to Moldova (or appointed representative)
- A representative of the World Bank office Chisinau (observer)

The Steering Committee will meet at least twice a year to review progress.

To guarantee sound implementation of the Sector Policy Support Programme, the Steering Committee

will ensure that the Government of Moldova fulfils the following commitments throughout the programme implementation period:

1. Associate the European Commission in all Government – donor discussions and institutional arrangements on the elaboration and implementation of the water and sanitation sector reform and Medium Term Expenditure Framework as related to the water and sanitation sector.

2. The Ministry of Finance and all supported ministries and institutions will make available to the European Commission the following documentation related to the implementation of this SPSP:

a) Bank statements for the bank accounts referred to in Sections 2.1. and 2.2. of the present Technical and Administrative Provisions.

b) Statements of expenditures (Treasury) on sectors relevant to the SPSP.

c) Reports on budget planning and execution of the involved bodies (Ministry of Environment; Ministry of Construction and Regional Development; Agency "Apele Moldovei", association of water-works).

d) Laws, Government Decrees, other legislative acts and administrative provisions, draft and final, related to implementation of the SPSP.

e) Reports and agreements with the Bretton-Woods institutions, the EIB, EBRD and other international financing institutions in relation to drinking water and waste-water sector reforms and investments.

f) Government and other donor policy documents and reports, draft and final, relevant to the implementation of this water SPSP.

Prior to each meeting of the Steering Committee progress reports will be prepared, under the responsibility of the Chairman. Progress reports will describe development in the implementation of the water and sanitation sector reform. They will, in particular show how far the foreseen activities of the Policy Matrix have been implemented.

Information requested to draft the monitoring / progress reports will be collected from the ministries in charge of implementing the reforms.

If considered appropriate, and until a functional monitoring mechanism satisfying the requirements of the programme is in place, the European Commission might mandate consultants to carry out an independent review of some or all disbursement indicators. As soon as the Government will have put in place a monitoring mechanism of the water and sanitation sector acceptable to the Commission, the possible unused balance of funds allocated to technical assistance may be transferred to the budget support component of the programme and increase in a proportional manner the amounts of the remaining instalments, so as to increase the disbursements proportionally, if the related indicators are met.

The release of the foreign exchange under the programme is contingent on **the following general conditions**, applying to all tranches, being met:

1. Satisfactory progress in the implementation by the Government of Moldova of a sector policy and strategy and continued credibility and relevance of that or any successor strategy

2. Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.

3. Satisfactory progress in the implementation of the Government programme to improve public financial management.
4. Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

**Specific disbursement conditions** will apply in the following areas, which are actually five Mid-term objectives from the Existing "Strategy of Water Supply and Sewage Disposal in Communities of Moldova":

1. Extension of centralised water supply and sewage systems and increase of degree of access for population to these services
2. Decentralisation of public water supply and sewage services in Moldova
3. Promotion of market economy principles
4. Promotion of sustainable development and environment protection measures
5. Promotion of social partnership

More detailed information on the specific conditions, including on the indicators to be used to measure their degree of fulfilment, are given in appendices 1, 2 and 3.

The chosen performance targets and indicators specified in Appendix 1 will apply for the duration of the SPSP. However, in exceptional, duly justified circumstances, the Chairman of the Steering Committee may submit a request to the European Commission for the targets and indicators to be changed (including possible modification or inclusion of specific health sector performance indicators). The agreement on the changes to the targets and indicators shall be formalised through an addendum to the present Financing Agreement, in accordance with the provisions of the General Conditions (in particular article 17).

In order to assess the progress of reforms supported by the Sector Policy Support Programme, the Commission will avail itself of the assessment made by its own staff, and need be, of external technical expertise.

In view of minimising transaction costs for the Government, the following review mechanisms will be utilised to review the several general and special conditions and serve as a basis for assessing progress and performance of the Sector Policy Support Programme:

Reports by the Government and Reviews by the IMF, the World Bank and the EU will serve as a basis for assessing the macroeconomic stability framework eligibility criterion. Commitment of the Government to implement the EU-Moldova Action Plan and its successor documents will be assessed on the basis of the Action Plan implementation reports produced by the European Commission with cooperation of the Government and of other interested organisations. Government progress reports and PFM-related Reviews of the EU, the World Bank and the IMF will serve as a basis to assess the progress and the performance in some areas of PFM, and water and sanitation reform.

#### *Schedule of reviews of this SPSP*

To all possible extent, the schedule of reviews will be coordinated with other donors involved in sector budget support operations.



Subsequent disbursements will be conditional to the achievement of the targets related to the indicators included in these Technical and Administrative Provisions and refer to activities listed above under paragraph 1.2.

## **2.4 Procurement and financial procedures**

The following provisions apply only for complementary support such as TA, audit, evaluation:

### Procurement procedures

All contracts implementing the action must be awarded and implemented in accordance with the general and specific conditions of the Financing Agreement and with the procedures and standard documents drawn up and published by the Commission for the implementation of external operations in force at the time of the launch of the procedure in question.

### Payments

All payments must be made by the Commission in accordance with the general and specific conditions of the Financing Agreement and with the procedures and standard documents drawn up and published by the Commission for the implementation of external operations in force at the time of the launch of the procedure in question.

## **3. EVALUATION AND AUDIT**

The programme will be subject to independent reviews that will assess the level of compliance / performance with its conditions / indicators set forth in the present Financing Agreement.

In the event of failure to fulfil a condition or achieve a quantitative target or indicator due to *force majeure* it will be possible for the given condition or indicator to be neutralised as a determinant of the variable instalment.

The European Commission might mandate consultants to carry out, in close cooperation with the Court of Accounts of Moldova, an audit of a sample of expenditures related to the implementation of the selected water and sanitation development strategy activities.

Prior to completion of the SPSP, the European Commission will mandate consultants to carry out an independent final evaluation of the programme.

## **4. COMMUNICATION AND VISIBILITY**

The Government shall ensure that the visibility of the European Commission contribution to the programme is at least equivalent to that given through media to other donors supporting the implementation of the Government of Moldova reforms in the area of PFM, and water supply and sanitation.

Guidelines applicable to communication and visibility are found on the website of EuropeAid ([http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions\\_en](http://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en)).

## **APPENDICES**

- 1 - Performance indicators used for disbursements
- 2 - Disbursement arrangements and timetable
- 3 - Policy Matrix

## Appendix 1: Performance indicators used for disbursements

Review of Policy Matrix implementation results should be considered the basis of assessment of programme success. Review of Moldovan National Development Strategy (NDS) water and sanitation indicators should be performed, being supplemented by the review of the Europe Aid standard water indicators, based on MDG indicators, and relevant to the Moldovan context.

**Table A: National Development Strategy 2008-2011 water indicators**

Indicator	Target, 2010
Increase the share of population with permanent access to safe water sources from 38,5% in 2002 up to 59% in 2010 and 65% in 2015.	59%
Increase the share of population with access to improved sewerage from 31,3% in 2002 up to 50,3% in 2010 and 65%.	50,3%
Increase the share of population with access to sanitation systems from 41,7% in 2002 up to 51,3% in 2010 and 71,8% in 2015.	51,3%
Improve the health and epidemiological standards of drinking water, especially from underground water that provides the drinking water for about 70% of the population (p. 117 National Development Strategy, English version)	Not quantified

**Table B: EuropeAid standard indicators adapted to the Moldovan water sector context**

Indicator	Target, 2010
Number of new household connections linked to access to clean water (rural)*	55.000
Number of new household connections linked to access to clean water (urban)*	55.000 (for 2012)
Number of new household connections linked to improved sewer systems (rural)*	25.000
Number of new household connections linked to improved sewer systems (urban)*	25.000 (for 2012)
*as compared to 1.1.2009	

## Appendix 2: Disbursement arrangements and timetable

### 1. Responsibilities

On the basis of the disbursement conditions stipulated in the Financing Agreement, as well as according to the dates mentioned in the table A below, Agency Apele Moldovei shall prepare a complete analysis and justification for payment of the funds, including all supporting documentation in annex. This shall be accompanied by a formal request by the Ministry of Finance to the European Commission for the release of variable instalment, including a duly signed Financial Identification Form to facilitate the corresponding payment.

### 2. Indicative disbursement timetable

An indicative timetable is given below:

**Table C: Indicative disbursement payments to date and future disbursement timetable (in million Euro)**

	2009				2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Budget support			15									
Pilot project through Member State agency								1.5				
Technical assistance											0.6	

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Budget support	12.033				8.853							Max. 6.114
Pilot project through Member State agency	3			0.5								
Technical assistance	0.6		0.6		0.6		0.6					

### 3. General conditions for the disbursement of each instalment

The general conditions for the disbursement of each instalment shall apply to the disbursement of all instalments and all instalment release requests must be accompanied by all appropriate information and documents.

**Table D: General conditions for the release of instalments**

<b>Area</b>	<b>Condition</b>	<b>Verification source</b>
Sector policy and strategy	Satisfactory progress in the implementation of the partner country sector policy and strategy.	Government documents, Laws, Decrees, etc.
Macroeconomic stability	Implementation of a credible and relevant stability-oriented macroeconomic policy.	1. Government of Moldova reports 2. IMF, WB, EU reports
Public Financial Management	Satisfactory progress in the implementation of the programme to improve public finance management (PFM).	1. Progress reports on the implementation of the Strategy as required by the Government Decree N 573 of the 6 <sup>th</sup> of August 2013. 2. IMF, WB, EU PFM-related reports
Transparency and oversight	Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.	1. Official Government printings and relevant websites. 2. Open budget-related surveys & reports.

#### 4. Specific conditions for the disbursement of instalments

The specific disbursement conditions apply to each instalment.

Table E: Specific conditions for the release of instalments

Tranche	Disbursement payments to date and future disbursements	Indicative date of the disbursement request (month/year)	Indicative disbursement date (month/year)	Conditions/criteria/activities for disbursement	Verification source (where applicable)
First instalment	€15 m	August 2009	October 2009	General conditions as given in Table D	See Table D
Second instalment	€ 12.033	December 2011	March 2012	Continued compliance with general conditions as given in Table D and specific conditions defined in Appendix 3, under "Targets for instalment II (To be achieved by December 2011)"	See Table D and Appendix 3
Third instalment	€8.853 m	December 2012	March 2013	Continued compliance with general conditions as given in Table D and specific conditions defined in Appendix 3, under "Targets for instalment III (To be achieved by December 2012)"	See Table D and Appendix 3
Fourth instalment	€6.114 m (max)	4 <sup>th</sup> quarter 2014	4 <sup>th</sup> quarter 2014	Continued compliance with general conditions as given in Table D and specific conditions defined in Appendix 3, under "Targets for instalment IV (To be achieved by October 2014)"	See Table D and Appendix 3

Appendix 3 Policy Matrix

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
<p><b>Overall objective I: Support in the implementation of reforms in the water and sanitation sector and to finance priority activities of high-relevance for the Moldovan population and environment. This will be done in close cooperation with other international development partners active in the sector</b></p>	<p>A new Water Law harmonized with the main EU water-related acquis communautaire (especially with the WFD, UWWTD and Nitrate Directive) and taking into account principles of Integrated Water Resource Management in accordance with the commitments of MD</p>	<p>A new Water Law adopted by the GoMD and sent to Parliament</p>	<p>GoMD</p>			
	<p>Promotion of the new Water Law in the Parliament</p>	<p>Law adopted by the Parliament</p>	<p>MoE</p>	<p>Starting implementation of the new Water Law and secondary legislation</p>	<p>Law &amp; secondary legislation entered into force</p>	<p>MoE MoRDC LPA</p>
	<p>Initial drafting of the secondary legislation for the implementation of the Water Law</p>	<p>Drafts of 4 items of secondary regulations prepared</p>	<p>MoE</p>	<p>Final drafting of the secondary legislation for the implementation of the Water Law</p>	<p>Drafts of all secondary instruments sent to GoMD for approval</p>	<p>MoE</p>
				<p>Adoption by the Government of a policy document unifying, updating and prioritizing the existing 2007 Water Strategy and 2005 Water Programme in terms of costs and timing taking full account of the recommendations contained in the Action Plan 2010-2015 for the implementation of the WSS Sector Strategy and policies in this sector in the Republic of Moldova (OECD M08/135)</p>	<p>Strategy adopted by the Government</p>	<p>GoMD MoE</p>

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
	Implementation of National WSS Project (World Bank)	3 Town projects completed	MoE	Implementation of National WSS Project (World Bank)	3 Town and 12 village projects completed	MoE
	More than 55,000 people in rural areas are connected to new or rehabilitated water supply systems from the sources of state budget, water companies' budgets and international financing	55,000 increase in connections as of 1 January 2009	MoE Apele Moldovei	More than 55,000 people to receive access to new or rehabilitated water systems in cities larger than 10,000 people from the sources of state budget, water companies' budgets and international financing	55,000 people increase in connections as of 1/1/2009	MoE Apele Moldovei
	More than 25,000 people in rural areas to benefit from new pit-latrines and/or septic tanks or simple sewer systems, from the sources of state budget, water companies' budgets and international financing	25,000 new pit-latrines and/or septic tanks or simple sewer systems as of 1 January 2009	MoE Apele Moldovei	More than 25,000 people receive access to new or rehabilitated sanitation system in cities larger than 10,000 people from the sources of state budget, water companies' budgets and international financing	25,000 people increase in access as of 1/1/2009	MoE Apele Moldovei
	Preparation of technical norms in line with international (ISO) standards in water supply and sanitation (I)	3 listed ISO standards	MoE MoRDC	Preparation of technical norms in line with international (ISO) standards in water supply and sanitation (II)	9 further listed ISO Standards (12 total)	MoE MoRDC
	Establish protection zones around all significant groundwater and surface water drinking water sources. Undertake risk assessment for pollution of	Risk Assessment Action Plan 75% of	MoE AGeom <sup>1</sup> SES <sup>2</sup> LPA II	Finalizing the implementation of the action plan to abolish pollution sources located in the sanitary protection zones of sources used for drinking water.	Eradication of non-compliance with drinking	MoE LPA II

<sup>1</sup> State Geological Agency

<sup>2</sup> Sanitary and Epidemiological Service

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
	<p>all these sources. Prepare action plan to mitigate pollution sources located in the sanitary protection zones of these sources. Initiation of protection measures to tackle the most serious sources of pollution within the protection zones of significant drinking water sources.</p>	<p>drinking water sources protection measures implemented</p>			<p>water source protection plan</p>	
	<p>Programme for renovation of school sanitation systems prepared and agreed</p>	<p>Programme Document identifying systems to be renovated</p>	<p>MoE Apele Moldovei</p>	<p>School sanitation systems renovated</p>	<p>7 number of school sanitation systems renovated</p>	<p>MoE Apele Moldovei</p>
	<p>Install mini stations for water treatment and improve sanitary standards in at least seven educational institutions (i.e. lycee, gymnasium) in <b>rural</b> areas.</p>	<p>7 number of mini stations installed and sanitary standards improved in at least 7 educational institutions</p>	<p>MoE Apele Moldovei</p>	<p>Install mini stations for water treatment and improve sanitary standards in at least seven educational institutions (i.e. lycee, gymnasium) in <b>rural</b> areas</p>	<p>7 number of mini stations installed and sanitary standards improved in at least 7 educational institutions</p>	<p>MoE Apele Moldovei</p>
<p>2. Decentralisation of Public Water Supply and Sewage Services in Moldova</p>	<p>Initiating of a study and concept concerning privatisation, merging or regionalisation of water companies, with a focus on those that cannot assure full cost-coverage</p>	<p>Study and Concept initiated</p>	<p>MoE</p>	<p>Preparation of the implementation of the results of the study water-companies, with a focus on those that cannot assure full cost-coverage.</p>	<p>Draft of Implementation Plan completed</p>	<p>MoE</p>
				<p>Assuring the possibility of partial or full merging of water company that cannot assure full cost-coverage. Creation of at least one multi-raional pilot WSS management arrangement following the studies carried out.</p>	<p>Establishment of the new entity – implementation on report.</p>	<p>MoE</p>



5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
3. Promotion of Principles of Market Economy, Sustainable Development and Environment Protection Measures	Development of the secondary legislation for development of the public private partnership in the communal services.	Draft completed	MEcon MoE	Finalisation of the development of the secondary legislation for development of the public private partnership in the communal services.	Secondary legislation adopted	MoE
	Initiating of a study on the reform of the tariffs in the water and sewage sector, identifying solutions to allow water companies for cost-recovery whilst respecting constraints of affordability, acceptable rates of tariff escalation, including presentation of the comparative advantages of independent economic regulation	Contract signed	MoE ANRE	Completion and Publication of Tariff Reform Study including detailed recommendations for immediate implementation of independent economic regulation of tariffs by ANRE in the form of an action plan	Action Plan adopted and implementation commenced	GoMD MoE MEcon ANRE
	Amendments to legislation that enable water-companies to fully recover operation and maintenance cost	Amendments entered into force	MoE			
	Initial WSS sector database prepared including retrieval and consolidation of existing data for (at least) the period 2008-2011	Database published	MoE Apele Moldovei	Establishment of procedures for maintenance, use and publication of WSS database and action plan for further development into a WSS Sector management information system	Procedures in place Action Plan adopted	MoE Apele Moldovei
	Technical documentation for all pump replacement to be implemented during 2010 and 2011	Prepared and approved by the official authorities	Apele Moldovei			
	Old water pumps and electro-mechanical equipment replaced	Completed in 10 pumping stations	Apele Moldovei LPA II	Old water pumps and electro-mechanical equipment replaced	Completed in 10 pumping stations	Apele Moldovei
	Old wastewater pumps and electro-mechanical equipment replaced	Completed in 7 pumping stations	Apele Moldovei LPA II	Old wastewater pumps and electro-mechanical equipment replaced	Completed in 7 pumping stations	Apele Moldovei
	Where necessary, install water meters at all water sources used for drinking water supply	In more than 40 MD towns	Apele Moldovei LPA II			

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
	Three sets of leakage detection equipment procured for three regions (North, Centre and South)	The equipment installed and in operation	Apele Moldovei			
	Provide transparent public participation in WSS development.	WSS dedicated web-portal developed & regularly updated	Apele Moldovei	Provide transparent public participation during SPSP implementation in accordance with the Aarhus convention.	Public events	MoE
	Prepare public awareness campaign for urban areas in order to increase participation of civil society structures when drafting strategies, policies, sectoral and local development	100,000 leaflets, 1 TV and 5 radio clips prepared for urban areas	Apele Moldovei			
	Prepare public awareness campaign for rural areas to disseminate information on safe drinking water supply and sanitation measures.	100,000 leaflets, 50,000 brochures, 1 TV & 5 radio clips prepared for urban areas	Apele Moldovei			
<b>4. Promotion of Social Partnership</b>	Conduct public awareness campaign related to WSS sub-sector for both urban and rural areas.	Two-month campaign undertaken for the whole country.	Apele Moldovei			
	Improve communication between customers and Apa-canal.	"Open Door Days" conducted in 52 MD towns	Apa-canal	Improve communication between customers and Apa-canal.	"Open Door Days" conducted in 52 MD towns	Apa-canal
	Provide transparent public participation during SPSP implementation in accordance with the Aarhus convention.	Public events	MoE			

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
<b>Overall Objective II: Public Finance Management related to water supply and sanitation sector</b>						
<b>1. Improving strategic mid-term planning</b>	Monitoring of public expenditures in the water sector in view of a sector-wide approach (SWAP). Coordination of this SBS with the Treasury.	Quarterly reports	MoE	Monitoring of public expenditures in the water sector in view of a sector-wide approach (SWAP). Coordination of this SBS with the Treasury.	Quarterly reports	MoE
	Continued preparation of project actions in accordance with existing planning documents	Min 10 feasibility studies (FSs) completed	MoE MRDC	Implementation of a project pipeline in the water sector completed and approved by the relevant authorities as part of the implementation of the revised WSS Strategy	Project programming functional Min 10 FSs completed	MoE MRDC
	At least <b>500 million MDL allocated</b> in the national budget for water and wastewater sector ( <b>including national and international financing</b> )	Budget execution reports	MF MoE	At least <b>600 million MDL allocated</b> in the national budget for water and wastewater sector ( <b>including national and international financing</b> )	Budget execution reports	MF MoE
<b>2. Improving Internal and External controls</b>	Organization of training for personnel active in the framework of this SPSP, and on water issues of the MTBF process.	Min. 3 trainings completed	MoF MoE			
	Elaboration of a new organic budget law.	Draft completed	MF	New organic budget law completed.	Adopted by the GoMD and sent to the Parliament	
	Further progress of PIFC reform and internal audits in cooperation with the Moldovan Court of Accounts and the European Commission DG Budget.	Reports on progress achieved	MF	Further progress of PIFC reform and internal audits in cooperation with the Moldovan Court of Accounts and the European Commission DG Budget.	Reports on progress achieved	MF
	Examination of results of audit of National Water Supply and Sanitation Pilot Project	Audit report	Court of Accounts	Implement system of financial management and control.	Reports on progress achieved	MF
	Audits of the State Ecology Fund.	Minimum 2 water	Court of Accounts			

5. Mid-term objectives from the "Strategy of WSS in Communities of MD"	Targets for instalment II (To be achieved by December 2011)	Means of verification	Resp. Agencies	Targets for instalment III (To be achieved by December 2012)	Means of verification	Resp. Agencies
3. Strengthening Public Procurement	<p>Secondary legislation on implementing the new Law on Public Procurement (PP) developed.</p> <p>Preparation of revised PP-guidelines concerning minimum technical standards of water-related infrastructure.</p>	<p>companies audited</p> <p>Approved by the GoMD</p> <p>PP-guidelines prepared</p>	<p>MF/ Public Procurement Agency</p> <p>MoE MRDC MF</p>	<p>Audit of public procurements of water-works.</p> <p>Publication, dissemination and introduction of new minimum standards</p>	<p>Minimum 2 water-works audited</p> <p>PP-guidelines introduced</p>	<p>Public procurement Agency/ Court of Accounts</p> <p>MoE MRDC MF</p>

Area I	Weight, % of the IV Instalment	Targets for instalment IV (To be achieved by October 2014)	Means of verification	Resp. Agencies
Water policy and strategy related indicators	10%	Government Decision on amending and supplementing Government Decision nr. 802 of 9 October 2013 on approving the Regulation on conditions for discharge of wastewater into water bodies	Government Decision approved	Ministry of Environment
	10%	Minister of Environment Order on approval of Best Available Techniques (BAT) for waste water emissions from the food industry	Ministry of Environment Order approved	Ministry of Environment
	20%	Draft Law nr. 150 to bring the legislation into conformity with the Law nr. 303 on water supply and sewerage public service, from December 13, 2013	Draft Law adopted by the Parliament	Ministry of Environment
	10%	Minister of Environment Order on reforming subdivisions of Agency "Apele Moldovei"	Ministerial Order issued	Agency „Apele Moldovei"
	20%	Government Decision on Approval of the Regulation on the organization and functioning of the Agency "Apele Moldovei" increasing the permanent staff of the Agency	Government Decision approved.	Agency „Apele Moldovei"
	10%	Approval of the Stakeholders' Engagement Plan (SEP) for the water supply and sanitation sector, involving following stakeholders <ul style="list-style-type: none"> <li>- Ministry of Environment</li> <li>- Agency „Apele Moldovei"</li> <li>- Water supply and sanitation operators</li> <li>- Contractors involved in construction of WSS systems</li> <li>- NGOs</li> <li>- Raional and local councils</li> </ul>	SEP Plan approved by the Minister of Environment. Minutes of the meetings between the stakeholders to be sent to EU Delegation representatives.	Ministry of Environment Agency "Apele Moldovei"
	20%	Approval of the Terms of Reference with technical specifications on elaboration of the Water Cadastre.	Final version of the ToR approved by Ministry of Environment and Agency Apele Moldovei	Ministry of Environment Agency „Apele Moldovei"