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I. ABBREVIATIONS

AIPA	Agency for Interventions and Payments in Agriculture
ATU	Autonomous Territorial Unit
BSI	Business Support Infrastructure
CTA	Chief Technical Adviser
DCFTA	Deep and Comprehensive Free Trade Agreement
ENPARD	European Neighbourhood Programme Agriculture and Rural Development
EUD	European Union Delegation
GIZ	German Society for International Cooperation
GRT	Gagauzian Radio and TV Channel
HR	Humane Resource
IMC	Inter-Municipal Cooperation
LAG	Local Action Group
LDS	Local Development Strategy
LEADER	(an acronym in French meaning Links between actions for the development of rural economy)
LED	Light-Emitting Diode
LG	Local Government
LPA	Local Public Authority
MAFI	Ministry of Agriculture and Food Industry
MARDE	Ministry of Agriculture, Regional Development and Environment
ME	Municipal Enterprise
MoU	Memorandum of Understanding
NARDS	National Agriculture and Rural Development strategy
NGO	Non-Governmental Organization
ODIMM	Organization for Small and Medium Enterprises Development
RDS	Regional Development Strategy
RM	Republic of Moldova
SARD	Support to Agriculture and Rural Development
SEDS	Social-Economic Development Strategy
SME	Small and Medium sized Enterprise
SIP	Small-scale Infrastructure Project
SYSLAB	Innovative Entrepreneurship for Sustainable Employment
TA	Technical Assistance
UNDP	United Nations Development Programme

II. SUMMARY¹

Title of the programme: Support to Agriculture and Rural Development through Promotion of Confidence-building Measures
Location: ATU Gagauzia and Taraclia District, Republic of Moldova
Programme budget: €6,500,000 provided by the European Union

Total duration	36 months
Budget	Total cost: €6,500,000 <i>European Union (EU) contribution: €6,500,000</i>
Objectives	<p>The <u>overall objective</u>: To foster confidence-building in the Republic of Moldova by targeting regions and territorial administrative units with special status.</p> <p><i>People from ATU Gagauzia, Taraclia District and neighbouring communities benefit from improved development opportunities in their localities, grasping the benefits of the National Agriculture and Rural Development Strategy.</i></p> <p>The intervention aimed to address key gaps identified in the main strategic document of the region's development,² in line with national priorities³. It contributed to <u>fostering confidence-building in the Republic of Moldova by enhancing the competitiveness of the agro-food sector in the target regions, promotion of local entrepreneurship, creation of jobs and raising income</u>; as well as <u>increasing the capacities of local communities to identify development ideas, develop and fundraise resources, and to implement development projects.</u></p> <p>All activities have been implemented in line with the confidence-building approach, connecting region's authorities and structures to the national ones, facilitating dialogue and inclusion in the development of national strategies, as well as connecting neighbouring villages through inter-municipal cooperation.</p> <p><i>It has been implemented under the following three components:</i></p> <ul style="list-style-type: none"> Component 1: Enhanced dialogue and community empowerment. Component 2: Local entrepreneurship and small and medium-sized enterprises (SMEs) development

¹ Contract number: ENPI/2015/371-916, Annex I, Description of the Action, Support to agriculture and Rural Development.

² UTAG Analysis of the economic situation and development potential (Expert Group), Gagauzia Opportunities for Investment (IDIS, LGI/OSI), Strategy for Socio Economic Development (2009–2015), Strategy for SMEs Development and Support (2012–2014)

³ Moldova 2020, Strategy for Agriculture and Rural Development, Strategy for SMEs development 2020, National Decentralization Strategy, National Regional Development Strategy, etc.

	Component 3: Small-scale infrastructure refurbishment and promotion of inter-municipal cooperation
Key outputs/results	<p><i>Output 1.1. Enhanced cooperation on agriculture and rural development between national authorities and local authorities in regions with special status</i></p> <p><i>Output 1.2. Local communities strengthened and empowered to actively participate in the decision-making process and development of their localities, and to integrate better the needs of women and men – particularly the most vulnerable – into the local development strategies</i></p> <p><i>Output 2.1. Strengthened rural business support infrastructure in targeted regions for development of SMEs</i></p> <p><i>Output 2.2. Promoted employability and culture of entrepreneurship in regions and territorial administrative units with special status through Comrat Regional SYSLAB Centre</i></p> <p><i>Output 3.1. Improved management, access and quality of municipal service provision in 20 communities and seven clusters of communities (in Gagauzia, Taraclia and neighbouring communities), prioritized by updated Local Development Strategies</i></p> <p><i>Output 3.2. Small-scale infrastructure projects are implemented within 20 communities and seven clusters of communities (in Gagauzia, Taraclia and neighbouring communities)</i></p>
Main activities	<p>Component 1: Enhanced dialogue and community empowerment</p> <ul style="list-style-type: none"> • Review and update relevant regional strategic documents • Set up a platform for communication for Agricultural Rural Development Strategy operationalization in Gagauzia, Taraclia and neighbouring districts • Conduct learning and information-sharing events, including study visits in communities outside the target area, as well as in EU countries. Ensure mixed and balanced participation (both from sectoral point of view and in terms of representation of all targeted regions, including the Transnistrian region) • Support the creation of action groups, develop their capacities by applying community mobilization for empowerment and elaborate/update local development strategies and plans • Conduct knowledge-sharing/peer review events with similar municipalities from Gagauzia and Taraclia districts, as well as

other relevant communities from the country, including from the Transnistrian region

Component 2: Local entrepreneurship and SMEs development

- Conduct a review (capacity development needs assessment) of existing business support infrastructure in the targeted regions (in Gagauzia, Taraclia and neighbouring communities), identifying priority actions for supporting its development
- Support the creation of new rural businesses, including the provision of small grants for start-ups, and mentoring capacity development activities, prioritizing women from rural areas and female-headed households
- Strengthen Local Public Administrations' (LPAs) capacities to interact with businesses and local community members. Facilitate the improvement of the local business environment, in line with ARDS. Cross-region events to be prioritized to enhance communication and cooperation across division lines
- Support the operation of the SYSLAB Comrat Centre, including the adaptation of the Self-Employment Programme, by supporting the best entrepreneurial ideas
- Conduct knowledge-sharing events (within SYSLAB Centres' network, including Comrat, Chisinau, Balti, Rezina and Cahul, thus enhancing dialogue and communication across ethnic divisions)

Component 3: Small-scale infrastructure refurbishment and promotion of inter-municipal cooperation

- Identify and evaluate relevant infrastructural projects, based on the participatory processes conducted by Local Action Groups and Local Development Strategies (as described under Component 1)
- Provide support to the improvement of basic local services in 20 communities in Gagauzia and Taraclia districts, enhancing cooperation across the targeted districts
- Assess and map service development with inter-municipal cooperation (IMC) and private–public partnership potential: including water and sanitation services, solid waste management, social services, education, employment services etc.
- Enhance the capacity and support the improvement of the management of selected local public services and utilities in seven clusters of communities (through IMC, private–public partnerships etc.) that will be created across Gagauzia, Taraclia and neighbouring communities across ethnic divides
- Support LAGs from the seven clusters in accessing regional development funds: planning, project identification,

	formulation and resource mobilization, and service maintenance
Partner(s)	Regional authorities from ATU Gagauzia, Taraclia and other districts; Government of the Republic of Moldova (national institutions dealing with agriculture and rural development); business associations from the regions, as well as from Chisinau; regional/municipal authorities; community-based organizations, international, national and local non-governmental organizations (NGOs) active in target regions
Target group(s)	<ul style="list-style-type: none"> • Representatives of local communities from the targeted regions, including the most vulnerable women and men in the target region • Communities and community-based organizations from target areas • Economic actors, including rural SMEs, chambers of commerce, business associations, farmers' associations and federations • Executive Committee from Comrat, district administration from Taraclia, local public administrations from other targeted districts
Final beneficiaries	Local population from target areas

III. CONTEXT

Since Ms. Irina Vlah, the Governor of ATU Gagauzia, took office in March 2015, pragmatic policy of better dialogue and cooperation with national structures has been conducted (joint Parliament sittings conducted in Comrat, governmental working meeting in Comrat, frequent high-ranked Moldovan officials' visits to the region).

Over the last 3 years, the Gagauzian administration put a lot of efforts to intensify international contacts looking not only towards traditional partners like Russia and Turkey but expand relations with the EU and the development community in general, organizing (still irregular) donor coordination meetings. This resulted in the launch of new projects with a focus on the region, such as: the EU-funded *Gagauzian Modernization Convention Project (GAMCON)*, that started in April 2017⁴, the EU-funded *Support to Local Public Authorities Project* operating from July 2017, the SOROS Foundation – funded *Strengthening civil society in ATU Gagauzia Project*⁵ launched in June 2017. Continuous efforts to attract investment through the regularly conducted *Invest Gagauzia* forums, *Gagauzians World Congress*, annual Wine days, numerous business visits and established economic linkages with regions of Turkey and Russia as well as expanding the free economic zones to 3 sub-zones and budget support to Small and Medium businesses leveraged positive trends in the overall economic activity of Gagauzia.

The last three years have demonstrated stable growth of economic indicators (*source: Economic Department of the Executive Committee of ATU Gagauzia*). Compared to the 2015 figures, in 2017

⁴ (<https://www.gamcon.org/>)

⁵ <http://pilgrim-demo.org.md/projects/>

(2018 figures are not available yet, but the first months of the year demonstrate similar growth trends):

- the volume of industrial production grew by 51 per cent;
- investments in fixed assets grew by 19 per cent;
- the average monthly salary has been increased by 14 per cent;
- the agricultural production grew by 38 per cent;
- Gagauzia budget revenues increased by 47 per cent.

It is worth mentioning that only four regions of Moldova have a positive population growth trend and Gagauzia is among them (alongside Chisinau)⁶

The Taraclia District, with a predominantly Bulgarian ethnic population, contrary to Gagauzia, is among the districts with a negative population growth trend. Nevertheless, the last several years have also shown growth in the agricultural production (compared to 2016, in 2017 field crops yields increased by 18 per cent, table grapes - by 95 per cent and sheep herd grew by 8 per cent). The industrial production at the Taraclia Free Economic Zone has also increased by 65 per cent in 2017 and two new foreign investors started their operations in the zone.

However, those positive trends are to be supported by further actions to improve the region's population livelihood and to develop the regional economy, in order for ATU Gagauzia and Taraclia District to be integrated into Moldova's political, social and economic landscape. Thus, the EU-funded SARD Programme focused its efforts on improving the living conditions of people from the targeted area through enhancing the capacities of local and regional public administrations to think strategically and implement the planned, through rehabilitating the critical social infrastructure, as well as through helping local businesses to associate and develop, contributing to the establishment of new and sustainable businesses and the creation of new employment opportunities.

IV. PROGRESS

The Programme managed to set up a good implementation path through the coordination of Programme goals, strategies and implementation modalities with the major stakeholders and beneficiaries – such as the EU Delegation, development partners, national Authorities as well as the authorities of ATU Gagauzia and Taraclia district. This helped implement all activities in a smooth manner and adjust the strategy when appropriate.

Following the official launch, SARD conducted a large – scale information campaign about the Programme goals, activities and objectives through series of events and meetings with heads of regional authorities, LPAs, businesses and representatives of the civil society.

The intermediary results of the SARD Programme were positively assessed by the EU Results-Oriented (ROM) Mission (Annex 19) in June 2017. According to the Mission's report: *"The project is highly relevant. It provides expertise, know-how and resources in an integrated manner to address a complex of economic and service provision needs affecting main public and private stakeholders in ATU Gagauzia and in neighbouring Taraclia, this through a sound combination of soft and hard supports. As such it is making a strong contribution, apparently embraced and appreciated by local stakeholders in a spirit of relatively strong horizontal (e.g. LAGs, IMCs, ATU Gagauzia and Taraclia district) and vertical (local-national) cooperation (e.g. LEADER committee)".*

⁶ http://statbank.statistica.md/pxweb/pxweb/ro/60%20Statistica%20regionala/60%20Statistica%20regionala__02%20POP/POP010300reg.px/?rxid=2345d98a-890b-4459-bb1f-9b565f99b3b9

The Final Evaluation of the SARD Programme (Annex 20), conducted by a team of one international and one national experts, highlighted the Programme achievements: *“A high level of **efficiency** of SARD is given specifically related to costs per new job created (5,900 EUR), costs per trainee under 3-5-weeks entrepreneurship & employability trainings (488 EUR/ trainee), high leverage (60%) of private contribution in SME support and overall project management & administration of 18 % of total budget taking into account high complexity and application & payment organisation for 41 public infrastructure projects. Original budget was leveraged by 73% with an increased contribution from local and regional authorities.*

*A high degree of achievements regarding set targets could be reached, partly even more than planned. Like number of jobs created 250 (planned 100), revenues from sales of SMEs was 51% higher as planned, 292 trainees passed successfully trainings under Syslab Centre Comrat (planned 60), joint events organised 204 (planned 50), 41 communes could benefit from small infrastructure investments (planned 20). Following the **effectiveness** of SARD can be assessed as high.*

*The **sustainability** of SARD is ensured by several aspects. The combination of investment support with trainings, advisory and coaching of Local Public Authorities, small and medium sized enterprises contributed to capacity building for future activities. Several donors (EU, UNDP, Polish Solidarity Fund) are continuing the support for LPA, LAGs and SMEs. The Syslab Center Comrat has been partly integrated in the business association established under SARD and partly in the Regional Business Information and Service Centre (RBISC). Sustainability is also ensured by the involvement of MARDE in the overall steering of SARD but also on the technical level like for LEADER. Applying the HRBA in design and implementation of SARD activities ensures sustainability of local development. Protection of environment is a priority particular under IMC projects and small infrastructure projects.”*

Further key developments per component:

COMPONENT 1: ENHANCED DIALOGUE AND COMMUNITY EMPOWERMENT

The private sector and local authorities were not sufficiently participating in (or benefiting from) the support within the implementation of the National Agriculture and Rural Development Strategy and the related Government or donor-funded projects. The situation could be improved by interventions at the national level (more active communication with the targeted regions, and translation into Russian of key documents) and regional level (organization and development of industry associations, establishment of public-private partnerships with the participation of regional and local authorities, support for local authorities in developing project concepts and application dossiers).

Community mobilization sub-component:

ACTIVITIES CONDUCTED:

- In line with the goal to enhance the cooperation on agriculture and rural development between national authorities and regions with special status the **following activities** were conducted within the programme term (2016-2018):

Review of national and regional strategic documents (Annex 21) in view of identifying gaps and opportunities for supporting the implementation of the National Strategy for Agriculture and Rural Development (NSARD) in the targeted regions.

Main findings and recommendations:

- The previous Social-Economic Development Strategies (SEDS) of ATU Gagauzia and Taraclia district failed to connect their specific objectives and proposed interventions in agriculture and agri-tourism to those of relevant national strategies (NSARD, Regional Development Strategy for "South" Development Region 2016-2020), although these contained support measures that could support and fund a significant share of required investments.
- Previous SEDS of both targeted regions were developed using different methodologies and different format however, both identify development of agriculture and agri-tourism among key priorities.
- Impact of climate change, and adaptation and mitigation measures in the agricultural sector are ignored or under stressed by both regional SEDS
- Both regional SEDS failed to use the Deprivation Index for Small Area (available in Moldova since 2003) to improve the targeting of its interventions.

Based on the findings of the study, the Programme assisted developing the new **Social Economic Development Strategy of ATU Gagauzia** for 2017-2022 (Annex 10), and updating the **Social Economic Development Strategy of the Taraclia district** 2017-2022 (Annex 11).

Dynamic sustainable development was defined as the major goal of both SEDS, having the following priorities:

For the **SEDS of ATU Gagauzia:**

1. Ensure sustainable management of natural and human resources and develop the social sector;
2. Ensure sustainable economic growth in the Gagauzia region; and
3. Promote the image of Gagauzia at the national and international levels.

For the **SEDS of Taraclia:**

- (1) Creating favourable conditions for district economic development;
- (2) Provision of quality public services and good environment conditions;
- (3) Increasing the quality of social services, preserving and promoting national traditions in the region;
- (4) A more efficient government, development of partnerships and international cooperation

Both strategies were consulted and coordinated with the national authorities. This helped ensuring synergy and complementarity between two strategic documents for ATU Gagauzia: the SEDS, developed with the support of SARD and the Regional Development Strategy (RDS) for 2017-2022, developed by the Gagauzian Regional Development Agency (RDA) with funding from GIZ.

The SARD Programme has further maintained close ties with the Gagauzian ARD, coordinating the IMC project development, particularly with regard to the compatibility of the waste management equipment with the future regional waste management projects. SARD support was also instrumental in establishing direct linkages between the Gagauzian ARD, the Department of Agriculture at the Gagauzia Executive Committee and the US-funded High Value Added Agriculture (HVAA) programme, with the goal of developing a fresh fruits and vegetables value chain cluster.

- In line with the goal to develop the capacities of local communities to actively participate in the decision-making process and development of their localities the **following activities** were conducted within the programme term (2016-2018):

Local awareness-raising and community mobilization campaigns

The SARD Programme offered a wide-scale community mobilization assistance to **41 mayoralities** (instead of the initially planned 30), thus covering the entire territory of the targeted region. As part of this campaign were organized **127 community participatory capacity development trainings** for **3,162** participants (1,904 women, 1,258 men), who have improved their capacities on fundraising, project management and project proposals' development, public property management, public-private partnerships and IMC in the provision of public services. The trainings were attended by LPAs, local civil society (CSOs / CBOS) and people from vulnerable groups.

Capacity building programme for 41 Local Task Force (LTF) teams for preparing, developing, promoting, adopting, implementing and monitoring of the Local Development Strategies (LDSs).

As part of the SARD programme, **41 communities** (from ATU Gagauzia and Taraclia rayon) were supported to establish local partnerships with all interested stakeholders (Local Task Forces), which conducted in-depth complex analysis of target localities and managed the whole Local Socio-Economic Development (LSED) process.

In partnership with LTF, the beneficiary communities were supported in organizing transparent, participatory and inclusive local planning. The main results of this process were the Local Socio-Economic Development Strategies for the following 5 years.

In all 41 communities were delivered capacity building activities in LSED strategies formulation, monitoring, evaluation and implementation. Theoretical knowledge was strengthened during the strategic planning workshops that followed (**3 workshops per each community**) and which signified the practical application of the theoretical studied by LTFs' members.

Additionally, **123 strategic planning workshops** were organised attended by about **2200 participants, of which 70% were women and 30% - men**. In a participative manner, were identified visions, missions and strategic objectives of local development, priorities according to local needs assessment in order to achieve the development objectives of the community. Furthermore, were elaborated Action Plans on short - and - long - term to support the implementation of the Strategies, including the main objectives, actions, costs, timeframe, responsible parties, partners, indicators, etc. Based on the above, **41 Social Infrastructure Projects** were implemented, with the goal to solve the major problems of the beneficiary communities, described in the LSEDS elaborated with the support of the SARD Programme.

Institutional grants for the target communities:

In addition to the soft support, 41 LPAs received financial support **to enhance their institutional capacities**: small-scale grants (up to €4,600 EUR) were offered to equip their staff with the needed IT equipment, and to repair public meeting rooms, in order to ensure better conditions for citizens' participation in the decision-making process.

Support to the local participatory groups and LPAs to write project proposals according to the Local Social Economic Development priorities:

The target communities benefited from support in developing small infrastructure project proposals and identification of new assistance programs and funding opportunities. As a result of the targeted support, the LPAs managed to substantially upgrade their fundraising capacities. Thus, 248 concept projects were developed, of which 42 project proposals were approved for financing, 78 rejected and remaining 128 are at various stages of evaluation.

In-country study visits on sharing best practices among LPAs representatives on community mobilisation, fundraising, waste management:

More than 350 participants, representing LPAs from all targeted region communities learned from best LPA and IMC experiences in communities inside and outside target area through eight in-country local and information-sharing visits (Avdarma, ATU Gagauzia; Tvardița, Molesti, Ialoveni district, Varnita, Anenii Noi District; and Peresecina, Orhei district, Cărpineni, Hîncești district, Colibași, Cahul district, Tomai, ATU Gagauzia).

TANGIBLE RESULTS:

- Increased local transparency, enhanced community participation in the local decision-making process, participatory planning, and
- strengthened communication skills of LPAs and civil society on HRBA and GE in local governance, fundraising and resource mobilization, and monitoring of the implementation of local projects, as a result of:
 - In-depth complex analysis (community profiling) of target localities;
 - Capacity building programme performed for local actors: community-based organizations, Local Action/Initiative Groups, groups of active youths and other formal and non-formal groups in the field of local development by applying community mobilization for empowerment principles;
 - Organization of transparent, participatory and inclusive local planning and budgeting in 41 communities, including developing/updating Community Socio-Economic Development Strategies in a participatory and inclusive manner, by applying HRBA and GE principles;
 - Exchange of good practices among the representatives of LPAs from target communities and other areas of Moldova in developing public services and creating new opportunities at local level.

CHALLENGES/DIFFICULTIES

One of the main goals of the SARD programme was to contribute to revitalization of economic and social environment in ATU Gagauzia and Taraclia district and help the people of ATU Gagauzia, Taraclia district and neighbouring communities benefit from improved development opportunities in their localities. This was the greatest challenge, considering the socio-economic realities of the region. Another challenge was people's reluctance to participate in the development of their home communities, combined with high expectations from LPAs. Weak

capacity of LPAs to understand their needs, to develop a strategic response to them, identify the needed resources and implement the solutions was another challenge.

Hence, the question the Programme sought to answer was: *how to motivate local people and LPAs deliver solutions to the old problems and thus improve local services and create economic opportunities in a short period of time, and how to ensure the sustainability of the investments made?*

As described under the “Activities” section, the intervention strategy responded to this question by mobilising local communities and making their voice heard, strengthening capacities of LPAs, and supporting with seed funding the improvement of critical infrastructure.

LEADER subcomponent

ACTIVITIES CONDUCTED:

A special focus of the SARD Programme was the piloting the **EU LEADER approach** in Moldova. LEADER encourages rural areas to explore new ways to become or to remain competitive, to make the most of their assets and to overcome the challenges they may face, such as an ageing population, poor levels of service provision, or a lack of employment opportunities. In this way, LEADER contributes towards improving the quality of life in rural areas for both, farming families and the wider rural population.

Hence, the SARD activities focused on two major directions:

A) Promotion of the LEADER concept at the regional level.

- Eight Local Action Groups have been established in the target area through signing eight LAGs partnership agreements between 250 representatives of LPAs, business and civil society communities end of 2017. The eight LAGs connect 36 communities from ATU Gagauzia and the Taraclia District and eight communities from neighbouring districts (Cahul, Cantemir, Leova and Basarabasca) (Annex 8).
- The participatory methods for their establishment, based on the LEADER approach included: setting up the process, creation of partnerships and establishment of LAGs, definition of chosen LAG area, development of the LAG programme and putting in place the LAG managing bodies. To ensure their smooth start and efficient operation, the Programme offered coaching, mentorship, technical assistance and guidance for each milestone;
- SARD has also facilitated the development of LAGs’ operational procedures, of five-years’ Local Rural Development Strategic Plans and two-years’ Action Plan for each of the eight newly established LAGs, to ensure the access and involvement of the local people to a sustainable regional development process.
- An important role in the LAGs establishment played the study visits to Poland/Lithuania, Bulgaria/Romania, Serbia, Italy, Greece, and Portugal with the participation of LAG members and managers of targeted area, representatives of MADRE and regional officials, nation-wide NGOs, Farmers federation and newly established LAGs outside of target territory at later stages of the programme.
- In 2018 LAGs were further supported by EU/SARD funds. Grants were provided for start-up activities and implementation of rural development projects in line with their 5-year strategies. Calls for proposals were announced by LAGs in February 2018, 235 applications

were processed, by LAGs selection committees, and 105 projects were implemented by the end of 2018.

B) Promotion of the LEADER concept at the national level:

Assessment of potential **legal solutions** for the registration and operation of the **LEADER LAGs in Moldova** (Annex 12) was developed and shared for further promotion of legal solutions with the Ministry of Agriculture and Food Industry and other development partners promoting the LEADER approach in Moldova. The report analysed the LAGs establishment and registration processes in 6 European Countries (Estonia, Poland, Lithuania, Romania, Bulgaria and Serbia), confirmed the existence of all legislation pre-requisites for an interim solution of LAGs registration (through Accountable bodies) and recommended 2 ways to initiate the legislation changes to ensure the sustainability of the LEADER approach implementation in Moldova: a) Pursue the legislative amendments solution, which involves targeted changes to number of specific legislation acts; b) Draft a new law on local action groups and targeted amendments to the Law on local public administration. The further promotion of the legal solutions is to be done by the Ministry of Agriculture, Regional Development and Environment.

- A wide **informational campaign**, consisting of information meetings, direct contacts, conferences, forums, etc. helped local and regional public administrations, business and civil community representatives outside of ATU Gagauzia and the Taraclia District understand the benefits of the LEADER approach. Thus, the **LEADER conference Towards Prospering Villages** to celebrate the signing of first eight LAG partnership agreements was conducted November 2017 in Comrat and gathered over 300 participants. The second LEADER Conference was conducted in Chisinau in June 2018, and became a nation-wide event, where SARD LAGs presented first results of their activities. Newly established LAGs from outside of target area were also present at the event and this was the start of the work to establish the Moldovan LAGs Association. SARD has also supported the National LEADER Forum, gathering a progressive number of LAGs from the entire country.
- The Programme developed a LEADER web-page (<http://www.leadermoldova.eu/>), containing information about the LEADER approach, as well as the needed material for establishing and running of LAGs: Methodologies and Guidelines; Implementation Roadmaps and Cases; Legal Framework; Templates of LAGs partnership agreements; Operational manuals, etc.
- The Programme provided facilitation, methodology and financial support for the establishment of Moldova LAGs Association, that was registered in December 2018;
- SARD was one of the initiators and an active member of the *LEADER Coordination Committee* under the aegis of the Ministry of Agriculture, Regional Development and Environment, and substantially contributed to the local implementation of the LEADER/CLLD approach by sharing pilot experiences, constituency documents and guidelines. By the end of the Programme, upon the request of MARDE, SARD has developed and published a Guide for Implementation of LEADER/CLLD approach in Moldova (annex 14). Further on, the SARD LEADER implementation methodology was taken over by the majority of LAGs outside of target area and became a cornerstone for the development of the Moldova National LEADER Programme

TANGIBLE RESULTS:

- SARD piloted the EU LEADER approach at the regional level by creating eight local action groups (LAGs) through involving 250 representatives of LPAs, business and civil society communities in steering the future development of their area:
 - As a result of Local Action Group mobilization campaigns, the established LAGs brought together 44 communities from ATU Gagauzia and Taraclia district, as well as villages from Cahul, Cantemir and Basarabasca districts, and implemented jointly rural development projects.
 - LAGs' operational procedures, the five-years' Local Rural Development Strategic Plans and the two-years' Action Plan for each of the eight newly established LAGs has been developed, to ensure their efficient operation;
 - Capacities of the LAGs management and LAG members have been enhanced as result of participation in capacity building exercises, including international study visits;
 - As a sustainability element, the grant programme, coordinated by the 8 LAGs and consisting of 105 rural projects, helped the LAGs understand their role in identifying and implementing their objectives involving people and making use of local resources, resulting in improvement of the living standards at the local level.
- Based on the gained experience, SARD laid basis for the EU LEADER approach to emerge and expand throughout Moldova:
 - The guidelines and methodology for implementing the LEADER initiative, developed under the SARD Programme, contributed to the implementation of the EU LEADER approach at the national level. The developed methodology and guidelines as well as the experience of the SARD programme serves as a good support for national NGOs piloting this approach in other regions of the country, thus contributing to the socio-economic development of rural areas;
 - The legal study on Partnership Formalization & LAG Registration and Functioning in Moldova helped identify the registration models, as well as the needed changes in the legal framework;
 - A National LEADER Network has been established with the participation of 30 LAGs from all regions of Moldova;
 - SARD was one of the initiators of the set-up and actively participated in the work of the "LEADER Coordination Committee" under the aegis of MARDE.

CHALLENGES/DIFFICULTIES

Human and economic development capacities of villages were limited. This was caused, among others, by the lack of communication between the national/regional institutions and the single villages, leading to that policies and programmes were not understood by those who were targeted. At the local level there were little possibilities and willingness of local people to mobilize and advocate for new type of economic and social development in their villages. Moreover, there was limited long-term territorial cooperation of neighboring villages, while the LPAs, the private sector and the civil society were isolated one from another, this reducing the efficiency of their efforts and limiting the use of the high potential each of them had for the identification of solutions to the problems the communities faced.

The approach implemented by SARD helped overcome these challenges, involve local stakeholders in local planning and implementation and play a leading role in the local development process.

COMPONENT 2: PROMOTING LOCAL ENTREPRENEURSHIP AND SMEs DEVELOPMENT

ACTIVITIES CONDUCTED:

In line with the *goal to contribute directly to decreasing economic deprivation of the targeted regions (Gagauzia, Taraclia and neighbouring communities) and to develop business support infrastructure to support rural development*, the following activities were conducted:

A **Review of the existing Business support infrastructure (BSI)** to evaluate capacities of present institutions, economic and development departments, extension service entities and business associations was carried out. Major findings were:

- the business support infrastructure is at an incipient level of development with few active organizations, especially in Taraclia district;
- effective small business associations do not exist and a regular and close dialog between regional / local authorities and private business community is lacking;
- business sector has much more advanced demands than the existent business support infrastructure has the capacity to offer;
- lack of consultancy in such domains as: organic/niche agricultural products, post harvesting technologies, water and soil conservation, marketing, sales and exports on alternative markets, DCFTA requirements, quality systems and standards, Agri-tourisms, business concept development;
- development partners are not confident about the capacities and potential of the regional business support infrastructure, which led to an underdeveloped cooperation.

The review was followed by development of an **Intervention Measures Package** (Annex 13) to upgrade the BSI in targeted region. Local businesses and services were mapped and interviewed; findings and interventions proposed were publicly debated and the final report was focused not only on revival of previously important sectors, but rather on reassessment of what has and what does not have potential for growth, plus the identification of opportunities for growth in new sectors. Traditional sectors such as agriculture (grapes, fruits, livestock), and tourism (especially agro-tourism) were proposed to be combined with new sectors for the region, such as the automotive industry or information technology, thus diversifying the regional economy.

The Review of the current structure of the BSI in ATU Gagauzia and Taraclia district identified gaps in Institutional framework, knowledge and capacity and Communication and cooperation. **To address the gaps the Package includes a set of 16 interventions** (including capacity upgrade of sectoral and cross sectoral business associations, expansion of Business incubator practices throughout the targeted region, intensifying the focused training programs for LPAs and young entrepreneurs, as well as launching vocational training and winter farmer schools) that were publicly debated and prioritized. The document will serve as a guide for authorities, donors and national institutions.

The authorities and LPAs from Gagauzia and Taraclia were assisted in the organization of four days-long business events - **Business Weeks Gagauzia and Taraclia** in 2017 and 2018. The events served as a unique opportunity for local businesses to learn about development opportunities from national support organizations, donor programmes, and export mediators, and to establish new partnerships. The 2017 Business week was also a starting point for initiating two **cross-sectorial SME business associations**. To further support the development of the associations, the SARD Programme received additional funding from UNDP. Highly qualified Czech experts provided

training and initial start-up assistance for the associations' staff, followed by a study trip of associations' members and managers to the Czech Republic during which the Czech experience has been shared.

As a result of two calls for applications for SME support (November 2016 and May 2017), **30 support grants** were provided (**12 of the beneficiaries were start-ups**) ranging from €9,000 to €18,600 (a brief description of projects is presented in Annex 5). It is worth mentioning that two projects from the first call of proposals quit - one before any grant funds were spent, the second one after portion of equipment was already procured – SARD had to announce additional call and reallocate the equipment to another beneficiary with the same profile. The diversified range of projects included: a mini dairy, greenhouse vegetable growing, a bakery, national clothes manufacturing, a metal works workshop, an ethnic guest house, biomass pellets production, essential oils manufacturing, fruit drying, mushroom growing, etc. All beneficiaries were coached according to the Coaching Plans (including registration and start up procedures for new entrepreneurs to feasibility analysis, market evaluation and forecasting, to setting up sound relations with banking institutions) developed and implemented by six coaches. All beneficiaries updated the existing Business Plans or developed new ones as a result of the received assistance.

The supported SMEs had a very good possibility to present their projects and set up new business links during the **Annual Gagauzia Investment Forums in 2017 and 2018**, supported by SARD, that gathered over 500 participants from 16 countries.

The supported SMEs created **137 new jobs**, invested over **100 000 EUR** as beneficiaries' cost-sharing contribution and accounted for over **1,000,000 EUR** volume of production by the end of 2018. The SARD SME grant support practices and procedures were used by ATU Gagauzia executive Committee as a template for developing their similar SME support programme.

In line with the goal to support skilled unemployed and potential beneficiaries with entrepreneurial ideas to either find a relevant job on the existing market or start-up a new business the following activities were conducted, starting from January 2016 SARD Programme supported Comrat Regional SYSLAB Centre, a part of the network of 5 similar centres in Moldova, in order to promote employability and entrepreneurship in the region. It's worth mentioning that in 2017-2018 other regional centres ceased their existence, due to lack of financing, while SYSLAB Comrat became an integral part of the SARD Programme, actively contributing to the business development activities and to the upgrade of the regional business support infrastructure. Syslab Comrat expanded their employability programme and tested a new initiative – additional entrepreneurship training for young unemployed who would like to start micro business and thus get self-employed. EU SARD funds were used to provide 33 microgrants for start-up microbusiness, selected on competitive basis.

A total of 292 persons were trained by SYSLAB since the programme launch both on job seeking and entrepreneurship programs, demonstrating high success rates of employment and start up launch into operation.

TANGIBLE RESULTS:

- The **Review of the Business Support Infrastructure (BSI)** and the **Intervention Package Measures** to upgrade BSI were developed and shared with Regional authorities for further implementation;
- **2 Cross-sectoral Business associations** were created, to represent local SMEs and lead the development of regional entrepreneurship. The Gagauzia Business Association Next became

an active member of National Business Support networks, fruitfully cooperates with European Business Association (EBA) and obtained a grant support from the EU-Funded *Eastern Partnership Programme* to establish a regional Business Hub;

- Gagauzian Authorities started regular meetings with business community and **adopted the SARD SME support methodology** for further support of local SMEs using regional funds (unique fact for Moldova);
- The most encouraging evidence is the fact that Gagauzian entrepreneurs are the **most active applicants and recipients** of various National and International business support programmes nowadays.
- **30 local SMEs** (12 start-ups) created **137 new jobs**, as a result of the received combined support, consisting of grants and coaching and mentoring;
- Over **100 000 EUR** new investments into local economy as grant beneficiaries' cost-sharing contribution has been ensured;
- With SYSLAB **job-seeking programme** support 186 persons were trained, out of which 178 were successfully employed (**96 % success rate**);
- With SYSLAB **entrepreneurship programme** 106 **people were trained**, 33 of them (35 % success rate) started their own business;
- **71 new jobs** were created by the SYSLAB Micro-enterprises that received **33 innovation micro-grants** to support self-employment microbusinesses.

CHALLENGES/DIFFICULTIES:

The biggest challenge for the programme was the poor development of the regional Business Support Infrastructure, its relative isolation from National Business support networks, lack of communication of SMEs with regional authorities. The Programme has focused its activities on meeting those challenges, this resulting in that Gagauzia is currently considered to be one of the fastest economically developing regions.

COMPONENT 3: SOCIAL INFRASTRUCTURE PROJECTS AND INTER MUNICIPAL COOPERATION PROJECTS

A. Small scale Infrastructure refurbishment Projects (SIP)

ACTIVITIES CONDUCTED:

In line with the goal of *improving the local service provision and upgrading the basic infrastructure in Gagauzia and Taraclia districts, as well as enhancing cooperation across the targeted districts*, an open competition for supporting **twenty SIPs** and **seven IMC** projects was announced in August 2016. The competition followed the recently developed local development strategies for enhanced rural development. The **selection criteria**, approved by the SARD Programme Board, required applications to be in accordance with priorities set up in approved local Socio-economic Development strategies.

The SIPs support by SARD spurred a high interest from all communities of the targeted region, this being also encouraged by their recent experience of developing and approving local development

strategies, having a good understanding of their needs and priorities. The Programme received applications from almost all communities from the targeted area (**40 out of 41**). Expectations were extremely high and, in order to manage them and in line with the confidence-building approach, the Gagauzia and Taraclia authorities initiated a request to provide support to all 40 applications. This was expected to lead to decreasing the maximum ceiling amount per project and to a higher level of LPAs' contribution to ensure their timely completion and quality.

The proposal was approved by the SARD's Board and allowed for an almost complete coverage of the targeted territory and leveraged substantial local funds: instead of the initially planned **20 per cent requirement**, the local contribution to date exceeds approaches **50 per cent**, with some projects having it beyond **80 per cent**. By the end of the programme, the overall cost sharing contribution from regional and local public authorities exceeded **48 Million MDL (~2,4 M EUR)**. It is important to note that such substantial interest for SIP and cost-sharing demonstrates the LPAs' **ownership** over the projects and ensures their **sustainability**. One additional SIP (outside of initial call for proposals) was approved by SARD Board – Technical support was provided to renovation of Taraclia district Sport hall, under the condition that Taraclia district administration covers actual construction costs. Thus, the total number of SIPs implemented accounted **41**.

The SARD programme ensured the implementation of the projects through all stages: design, tender procedures, contracting of construction companies, and close technical monitoring and supervision of works.

TANGIBLE RESULTS:

- The range of SIPs included:
 - 13 water supply and sewage system renovation projects
 - 7 kindergarten and school repairs projects
 - 5 street lighting projects
 - 7 social municipal facilities (sport halls, culture houses) repair projects
 - 5 road and sidewalks reparation projects
 - 3 solid waste management projects
 - 1 riverbed cleaning project
- More than 27,500 people from 10 communities have got access to safe sources of water, over 22,210 residents feel safer due to the street lighting systems installed and some 38,816 people can use the roads and access ways renovated with EU support. Over 12,730 children now attend renovated kindergartens and 4315 pupils benefit from better education conditions due to the renovation of the schools.
- Guidance and technical assistance provided by the SARD Programme at each stage, as well as by study visits to European countries and inter-community visits for central, regional and local authorities, helped to tap into the local potential and resources and develop projects for rural development, development of agriculture and rural tourism that are important sectors for a sustainable economic development.
- Through the SARD Programme, two important objectives of the 2014–2020 National Agriculture and Rural Development Strategy were achieved in the ATU Gagauzia and Taraclia

district: increasing the competitiveness of the agri-food sector and improving the living and working standards in rural areas.

CHALLENGES/DIFFICULTIES

One of the major difficulties for the implementation of this subcomponent was poor condition of the majority of social infrastructure facilities in targeted region, that made complicated the prioritization of refurbishment actions. This challenge was successfully addressed by involvement of all layers of community in development of Local development strategies and prioritization of interventions within developed strategies. This assured the following community support for the infrastructure projects. As it could be seen from the type and range of the projects – major focus was given to resolution of water supply problem, the most acute problem for Southern Moldova and targeted region in particular.

Targeted region is populated by Gagauzian and Bulgarian ethnic groups, with Gagauzian Villages in majority cases being substantially larger than Bulgarian populated villages. This situation could have created tensions between communities during selection of objects to be refurbished and communities to be supported. The joint request that came from Gagauzia Executive Committee and Taraclia District administration to expand the EU support to all communities in targeted region was perfectly in line with Confidence building measures principles and mitigated the potential tensions. Moreover, this decision allowed to leverage substantial additional funding both from regional and local authorities, cover all region with at least one EU supported Infrastructure projects and finally improve living conditions for practically entire population of ATU Gagauzia and Taraclia District.

B. Inter-Municipal Cooperation Projects (IMC)

ACTIVITIES CONDUCTED

In 2017, the SARD programme evaluated the targeted region's **IMC potential**. A detailed analysis (Annex 15) of a wide range of factors (economical, demographical, territorial proximity, existing infrastructure and services, future expansion opportunities etc.) revealed four different cluster options: with six, seven, eight and ten clusters. The study was followed by training workshops and consultations with local public authorities as follows:

- 11 inter-municipal practical introduction trainings were conducted for the representatives of 52 LPAs of the target region and neighbouring communities (focusing on the concept, steps, principles, setting up, registration and operation)
- Representatives of seven IMC projects (20 participants, 5 women, 15 men) learned from best experience of implementing IMCs during one study visit to Romania
- One in-country study visit to the IMC in Peresecina, Orhei district

After a thorough analysis and public debates with local stakeholders, the most feasible option has proven to be the one containing seven clusters. Hence, seven IMC clusters, including 46 communities, 11 of them being outside of ATU Gagauzia and Taraclia District with the total population of 184,235 people were established, the final agreements being signed by all participating LPAs in August 2017. Feasibility studies and detailed business plans were developed for each IMC. Since solid waste management was identified by all clusters' members as the most

pressing problem to be resolved, the majority of IMCs are concentrating on the provision of this municipal service, with two of them also expanding to local road maintenance.

Seven IMC project proposals were submitted for EU financing support through the SARD programme, ensuring at least 20 per cent local contribution. The Vulcanesti IMC project has also ensured a substantial financial support from the Gagauzian Regional Development Agency. Thus, the Programme offered up to €75,000 per each IMC, covering costs of waste collection trucks, waste bins and containers and Buldo-excavators to be used for elimination of unauthorized garbage dumps.

At the end of the SARD programme, an overview of the almost 10 years of IMC implementation in Moldova was conducted, major results and drawbacks were evaluated and recommendations for future development and support of IMCs on national level were developed and presented to the national authorities (Annex 15).

TANGIBLE RESULTS:

- 7 inter-municipal cooperation enterprises were established/supported and equipped with solid waste management equipment, putting together 46 communities.
- The IMC teams benefited from coaching and support provided by SARD program and 308 public servants from targeted communities learned from best LPA and IMC experiences through nine local study visits.
- The newly created IMC services benefit 184,235 men and women and play an important role in ensuring clean environment in the region;
- The sustainability of the project is ensured by the set tariffs for services based on actual costs of the company - costs and expenses incurred by the IMC.

CHALLENGES/DIFFICULTIES

Communal services, especially in the rural areas of the targeted region were either weak or not existing (in smaller size villages), while equipment was extremely outdated and not cost-efficient. All this, combined with big fragmentation of communities and low purchasing capacities of local population made the inter-municipal cooperation particularly difficult. Moreover, current Moldovan regulatory system still does not provide clear and favourable framework for IMC initiatives.

Nevertheless, the SARD Programme through feasibility studies and continuous facilitation of long negotiation processes, managed to identify the most economically feasible IMC clusters and set up IMC projects that were equipped with performance machinery and equipment, mainly solid waste trucks and garbage containers, since solid waste management is the most acute problem for the region.

The IMC initiatives are still in the beginning stages of their development and growth and need to be further supported by regional and national authorities. Major drawbacks and barriers for the development as well as recommendations on further development of IMCs are described in a study of both SARD and other Moldovan initiatives, funded by EU SARD at the end of the programme.

V. KEY RESULTS

Component 1. Enhanced dialogue and community empowerment

Target 1.1 – 50 joint activities organized at local, regional and national-level institutions (missions, seminars, study trips), including at least 5 study visits to EU countries with mixed and balanced participation.

Result: Overall, **204** joint activities organized at local, regional and national level institutions (missions, seminars, study trips) as follows:

- **Six LEADER/CLLD study visits** to Poland/Lithuania, Bulgaria/Romania, Serbia, Italy, Greece, and Portugal (72 participants: 43 women, 29 men)
- **One study visit to Romania on IMC's best experience** (20 participants: 5 women, 15 men)
- **Eight in-country local study learning, information and sharing events/visits** on best LPA and IMC experiences conducted in communities outside the target area (Avdarma, Molesti, Varnita, Peresecina Colibasj, Cărpineni, Tomai LPAs and one training on project management organized by Contact Chisinau) (308 participants: 178 women, 130 men)
- **Two SARD LEADER Conferences visibility and network building event** in Comrat and Chisinau with participations of Moldavian LAGs representatives (610 participants: 368 women, 242 men)
- **Eight LEADER information-sharing events** for local and regional public administration, business and civil community representatives (187 participants: 110 women, 77 men)
- **Five local, regional and national events for promotion of the LEADER Program** (110 participants: 76 women, 34 men)
- **Official opening of Eco Bugeac LAG office** (65 participants: 28 women, 37 men)
- **Workshop and certificated training provided to MARDE, AIPA and RDAs' relevant staff members** (37 participants, 26 women, 11 men)
- **Discussion meeting of the LAG members** with the Bashkan and the president of the Taraclia district (30 participants, 18 women, 12 men)
- **Informative session on lessons learned** on LEADER approach implementation for the Gagauzian Agency for Regional Development (15 participants: 4 women, 11 men)
- **First National LEADER Forum** – (79 participants, 35 women, 44 men)
- **167 Community meetings** on the **LEADER** approach and fact-finding missions and local events organized by the 8 LAGS in frame of **SARD LEADER Call – Towards Prospering Villages** (2541 participants: 1350 women, 1191 men)
- **Seven LEADER strategic planning regional events** (workshops, focus groups) (148 participants: 86 women, 62 men)

Target 1.2 - Comprehensive community participatory capacity development processes conducted in 30 communities across ATU Gagauzia and Taraclia District of Moldova (representing 50% from the total targeted number).

Result: Communities capacity development activities were conducted throughout all targeted territory (**41 communities**) as follows:

- **Local Task Force** teams (LTFs) were created in 41 communities (as participatory council) with responsibility for preparing, developing, promoting, adoption, implementation and monitoring of the Local Development Strategies (LDSs) for the period 2017-2022 and for facilitating public participation in strategic planning. (**3,162 participants: 1,904 women, 1,258 men**);
- **140 monitoring and coaching visits** were conducted in the target communities;

- 41 LPAs, and 20 NGOs/CSOs were **assisted to identify funding** for additional local development initiatives (projects) responding to the identified development priorities in LDSs;
- On-going monitoring, coaching and support was provided to **51 communities - members of 7 IMC clusters** on capacity building and efficient waste management;
- 127 community participatory **capacity development trainings** conducted in 41 communities (topics: fundraising, project management and project proposals development; public property management, public–private partnerships and IMC in the provision of public services) (**3,162 participants: 1,904 women, 1,258 men**);
- 4 **informative meetings** on project activities held at each town and village level (**98 participants: 57 women, 41 men**);
- 11 IMC practical introduction trainings conducted for reps of the **51 LPAs of the target region and neighbouring communities** (concept, steps, principles and operation) (**128 participants: 79 women, 49 men**).

Target 1.3 - Updated community profiles for 30 target localities, contributing to the development of local development strategies.

Result: Community profiles were updated/developed in all **41** mayoralties of the targeted region and **31 Local Development Strategies** were developed and **10 LDSs** were updated for the period **2017–2022**.

The **SEDS of ATU Gagauzia** for 2017–2022 was developed and **SEDS of Taraclia district** was updated.

Target 1.4 – Enhanced capacity of newly created Local Action Groups (80 % of LAGs members from target communities trained).

Result: The first in Moldova 8 pilot Local Action Groups (LAGs) were established and formalized, putting together 44 localities from ATU Gagauzia and Taraclia district, as well as several villages from the Cahul, Cantemir and Basarabasca districts. They received grant support from the SARD programme for start-up activities and implementation of rural development projects in line with their Five-years strategies. Calls for proposals were announced by LAGs, 235 applications were processed and 105 projects were implemented. Continuous mentorship has been offered to LAG managers and project implementers in designing and implementing better quality local development projects. All (100 %) LAG managers were trained in narrative and financial reporting, in organisation of call of proposals and all reporting procedures, in project cycle management;

Component 2: “Local entrepreneurship and small and medium-sized enterprises (SMEs) development”

Target 2.1 – Comprehensive capacity building activities conducted for strengthened rural business support infrastructure;

Result: Direct linkages between national-wide business organizations (EBA, ODIMM) and local business associations established, Business weeks organized (together with Gagauzia and Taraclia Business Associations), Gagauzia Invest Forums supported.

Target 2.2 At least two sector business associations supported and strengthened.

Result: The Gagauzia Business Association “NEXT” (20 members) and Taraclia Business Association (15 members) were established in 2018, governing bodies were elected, and the management was recruited and trained. SARD provided start-up grant operational support. The “NEXT” BA has successfully applied for support for implementation of EU-Funded Eastern Partnership Programme to establish regional Business Hub.

Target 2.3 – 1,000 persons benefited from business support infrastructure.

Result: The beneficiaries of the SARD Programme/Component 2 amount to **1,163 people:**

- 30 **SME grant** support beneficiaries with estimated at least 45 family members
- 137 **jobs created** to date by the SME projects
- 33 **SYSLAB Innovation grants** support beneficiaries (71 jobs created)
- 292 **people trained by SYSLAB** since the programme launch (employment and entrepreneurship programmes)
- 351 participants of the **business week in 2017** and **249 in 2018**
- 32 representatives of SMEs –members of 2 Cross-Sectoral Business association, **trained** on Business associations principles, strategies, organizational and operational formats.

Target 2.4 Improved cooperation between local authorities, businesses and civil society organizations from targeted districts.

Result: The **EU LEADER approach** implemented by SARD, connects through LAGs local authorities, businesses and civil society representatives for common projects’ development. **Business weeks** conducted in 2017 and 2018, contributed to a **better dialogue and cooperation.**

Target 2.5 – Number of officially registered unemployed in ATU Gagauzia and Taraclia District decreased by at least 10 per cent

Result: The decrease is over 30%:

- 2016 – 2,926 persons;
- 2017 – 2,702 persons;
- 2018 (10 months) – 2,037 persons.

Target 2.6 – 100 new jobs created directly related to improved living conditions in rural areas.

Result: 208 new jobs:

- **137 new jobs** (59 women), for people aged 35–50, were created as a result of the SARD SME grant support.
- Another 71 jobs were created by the Syslab-supported micro enterprises.

Target 2.7 – At least 5,000 women and men (50 per cent women) benefiting from strengthened livelihoods.

Result: 8675 people (54.5 women)

- 7,512 people (57% women) benefitted from strengthened livelihoods under the first component
- 1,163 people (52 % women) benefitted from strengthened livelihoods under the second component

Target 2.8 – Fully functional regional SYSLAB Centre operating in Comrat, implementing the employability and entrepreneurship components; being connected and sharing best practices with the rest of the centres in the same network.

Result: SYSLAB Centre in Comrat trained 292 people since the programme launch (employment programme 186 persons and entrepreneurship programme - 106). 33 Innovation micro-grants (3000 USD) were provided to support self-employment microbusinesses.

Target 2.9 – SYSLAB success rate for employability of 60 per cent and entrepreneurship of at least 10 per cent achieved.

Result: Employability success rate (on average for the period of 2016-2018) is **96 per cent** (178 employed out of 186 trained) and entrepreneurship success rate is **35 per cent** (33 started own business out of 106 trained).

Component 3: “Small-scale infrastructure refurbishment and promotion of inter-municipal cooperation”

Target 3.1 20 SIPs implemented in target localities from Gagauzia and Taraclia districts

Result: 41 SIPs completed by end of 2018 – 155,102 people: 77,653 women and 77,449 men benefited from improved local infrastructure and communal services

Target 3.2 – 7 models of inter-municipal local public services created in the targeted region (at least one connecting communities across autonomous administrative units in Gagauzia, Taraclia districts and neighbouring communities).

Result: **7 IMC clusters** have been created - total 46 **communities. 11 of the communities are outside of ATU Gagauzia and Taraclia District** (4 IMCs connecting communities across autonomous administrative units in Gagauzia, Taraclia districts and neighbouring communities). The total number of beneficiaries is **184 235**.

Target 3.3 – 140,000 persons (roughly the entire population of the region) benefited from improved services and renovated infrastructure.

Result: 155,102 people: 77,653 women and 77,449 men

VI. SUSTAINABILITY OF RESULTS

Sustainability of results was carefully considered during the design and implementation of project activities. This report describes the status and perspectives of sustainability broken by Components:

Component 1: “Enhanced dialogue and community empowerment”

The Community mobilization work conducted in each community of targeted region, resulted in the development of 41 LDSs for the period 2017-2022. This, combined with training of local councillors, municipal workers on issues of public property management, project development and fundraising ensured sustainability of LPA’s engagement and efficient management. The SARD programme facilitated better working relations between the LPAs and Regional authorities in Gagauzia in particular. As a result, LPAs have a high capacity to identify needs and ensure funding for their solutions, which is proven by a high rate of successful applications of Gagauzian LPAs for regional, national and donor funding. The EU-funded *Support for Local Public Authorities* project launched in 2017 continues to support the development of LPAs from ATU Gagauzia, contributing to further sustainability.

The SARD-implemented LEADER pilot programme in the targeted region laid fundamental basis for the expansion of the LEADER approach throughout Moldova: in addition to the 8 LAGs created by the SARD Programme, 13 more LAGs have already been created in other regions of Moldova and 10 more are in process of establishment. Most of those LAGs made use of the methodology developed by SARD, that is currently published as Moldova LEADER guide. The LEADER Coordination Committee under the aegis of MADRE, initiated by SARD, will continue the promotion of LEADER, while MADRE will continue promoting the necessary legislation changes in order to ensure funding of LEADER initiatives from the public budget. In the meantime, 8 LAGs created with the SARD support, will benefit from further assistance from the Polish Solidarity Fund

Component 2: “Local entrepreneurship and small and medium-sized enterprises (SMEs) development”

The 30 supported projects are at various stages of implementation, some of them being fully operational for second year in a row, while the others having started later. The continuous support of the Gagauzia regional administration (the SARD-developed SME support methodology and selection practices were used for Gagauzia Business support programme started 2018 and grant support will be further provided on annual basis) will give more opportunities for SARD SME beneficiaries as well as for other businesses of Gagauzia to be sustainable in the long run.

The Gagauzia Business Association over 6 months of its existence increased its membership from 13 to 20, actively participated in 2018 Business week and Gagauzia investment forum. The association obtained a grant support from the EU-Funded *Eastern Partnership Programme* to establish a regional Business Hub, that will further strengthen its capacity and sustainability prospects.

The Syslab in Comrat successfully operated within SARD programme achieving quite remarkable results. Its activities will be further supported through the EU-Funded “Mayors for Economic Growth” entrepreneurship support programme and, what is more important and sustainable, by the “Next” BA that plans to further continue the employment related activities through special training programme set up for qualified trainings provided to unemployed.

Component 3: “Small-scale infrastructure refurbishment and promotion of inter-municipal cooperation”

All SIPs were selected by local communities as priority projects within their LDSs. All projects passed through its technical sustainability assessment by the SARD Engineer Team. All SIPs were strongly supported financially by local and regional authorities (up to 80 % of total project costs). The EU-funded SLPA project and the Gagauzia regional authorities continue supporting the SIPs funded through SARD (8 out of 25 SARD SIP projects in Gagauzia obtained further financing). All above mentioned provides good grounds to state that SARD SIPs are sustainable.

The established IMCs are set up as profit generating enterprises. The developed detailed feasibility studies and business plans are being followed by the IMC project management. In addition, there is a clear understanding from both, regional authorities of Gagauzia and Taraclia district and LPAs on the importance of IMC cooperation and these, cumulatively, will contribute to their sustainability in the future.

VII. INVENTORY OF DELIVERABLES

- **Review of national and regional strategic documents**

- **Social Economic Development Strategy of ATU Gagauzia 2017-2022**
- **Social Economic Development Strategy of Taraclia District 2017-2022**
- **41 Local Development Strategies for every community of ATU Gagauzia and Taraclia District;**
- **41 Institutional support grants – for every community of ATU Gagauzia and Taraclia District;**
- **EU LEADER/CLLD approach successful pilot implementation in Gagauzia/Taraclia and neighboring communities;**
- **8 LEADER Local Action Groups established, 105 local development projects implemented;**
- **Assessment of potential legal solutions for the registration and operation of the LEADER LAGs in Moldova;**
- **Guide for LEADER/CLLD approach implementation in Moldova;**
- **National LEADER Network established;**
- **2 Nation-wide LEADER conferences conducted;**
- **A LEADER web-page (<http://www.leadermoldova.eu/>) is launched and transferred to MARDE;**
- **Intervention Package for upgrade of Business Support infrastructure in Gagauzia/Taraclia;**
- **2 Cross-sector Business associations established and supported**
- **30 SMEs and 33 micro self-employment enterprises supported;**
- **208 new jobs created;**
- **178 young professionals employed as a result of SYSLAB training;**
- **41 Small-scale Infrastructure refurbishment projects (SIP) implemented;**
- **7 Inter-Municipal Cooperation (IMC) Projects implemented;**
- **Over 2,4 million EUR of regional funds leveraged as cost sharing contribution to SIP and IMC projects;**
- **IMC Moldova Experience Study;**
- **Assessment of awareness about EU projects in ATU Gagauzia.**

VIII. RISK LOG

Description of risk	Risk management actions
<p>Volatile political and security environment, subject to unforeseen and sudden changes</p>	<p>The Programme team took into account the political situation in the Republic of Moldova and in the targeted region. The implementation of the activities was planned and approached with caution, in constant coordination with both, regional and national authorities, including the timing, visibility and presentation issues.</p>
<p>Activities may be delayed due to the regional context, and perceptions towards confidence-building approach</p>	<p>The Programme team ensured that relevant national and regional counterparts were informed on an ongoing basis about the aims and the activities planned, including inviting them to the events. All activities were focused on specific improvements in people's lives. Programme team remained non-political.</p>

Description of risk	Risk management actions
Lack of engagement on behalf of regional stakeholders	Constant consultations and coordination with both Gagauzia and Taraclia authorities were conducted. Support for Programme goals was ensured. Cost-sharing agreements with ATU Gagauzia and Taraclia District, plus additional funds from Local Public Authorities demonstrated local ownership of the results of the implemented action.
Lack of culture of participation in identifying priorities, planning, and budgeting for regional and local development	All 41 communities within the participatory process developed/updated local development strategies and actively participated in identifying the priorities. Availability of EU funds for all communities to support small-scale infrastructure refurbishment projects was quite instrumental and effective in demonstrating tangible results and changed the attitudes and behaviour of local councillors and staff towards citizens, as well as empowering communities, civil society organization and citizens to fully participate in all local development processes.
Resistance of local public authorities to change and to implementing innovative local governance instruments	The SARD Programme used the Community Mobilization for Empowerment approach and EU LEADER and Community-Led Local Development Approaches to apply participative methods, working simultaneously both at community level and with local authorities, combining capacity-building activities with technical assistance.
Economic slowdown, diminishing number of available jobs on local market, particularly in rural areas	Overall economic situation in the targeted region demonstrated signs of slight but steady improvement. Regional authorities and SARD Programme interventions have also contributed to this. SARD SME support intervention led to setting up/ strengthening of 30 SMEs, Syslab Innovation Micro grants self-employment project created 33 micro enterprises. 208 jobs were created. Situation in rural areas (especially small villages) is slowly improving. LEADER approach implementation has already started to contribute to improvement of economic situation through implementation of rural development projects.
Low local capacities for delivery and financial operations	Programme addressed these risks by providing ongoing training, coaching and mentoring to LAGs and sub-contracted organizations.
Environmental concerns are not taken into consideration in local initiatives	All support envisaged in the action (including small-scale infrastructural refurbishment, IMC as well as SME projects) were subject to thorough analysis and recommendations to take into account environmental issues, along with rights-based and gender issues.

IX. MANAGEMENT ARRANGEMENTS

Project Organisation Structure

Project Board (Governance Mechanism)

Senior Beneficiary (Gagauzian Executive Committee, Taraclia District Administration, Government of Moldova)	Executive [UNDP]	Senior Supplier [EU, UNDP, Cos]
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Agriculture and Rural Development (local entrepreneurship, SMEs support, etc.)

Local development (LPAs capacity strength, new services creation, social infrastructure support)

The Programme has been governed by the SARD Board, composed of representatives of the EU Delegation to Moldova, UNDP, the Ministry of Agriculture and Food Industry, the State Chancellery, the Agency for Interventions and Payments in Agriculture (AIPA), the authorities from ATU Gagauzia and Taraclia, the European Business Association (EBA) and the Organization for SME Development (ODIMM). The Board's role was to provide guidance and take strategic decisions, through approving the programme goals, stages and implementation pace, annual plans and progress reports as well as the evaluation criteria and the selection of Small-scale Infrastructure Projects (SIPs), Inter-Municipal Cooperation projects (IMC) and Small and Medium Enterprises (SME) support projects (minutes of all nine Board meeting minutes are attached in Annex 9). The selection and recommendations to the Programme Board for financing of infrastructure, IMC and SME projects was ensured by the **Selection Committees**. In the case of SIP and IMC projects, the Selection Committee includes EUD representative, Gagauzia and Taraclia representatives and four representatives from SARD and UNDP. In the case of SME projects and LEADER, there were one EUD representative and two SARD Programme representatives.

CHANGES

The Programme Board has also proven to be an efficient mechanism able to adjust the Programme strategies. through the following:

- ✓ As part of the capacity building for LPAs exercise and in order to ensure an integrated approach to local development, the necessity for the provision of the institutional support to LPAs occurred in terms of improving the LGs systems and procedures (human resources management, public procurement, financial management, transparency of LG operations and public participation in the decision-making process). Based on the successful experience of other local community development projects implemented by UNDP, SARD in 2016 obtained the Board's approval to provide small-scale (up to €4,600) **initiatives to all 41 LPAs**

in the targeted area. Thus, in 2017 each LPA, alongside a developed strategy, received **institutional support grants** to strengthen their capacities.

- ✓ Taking into consideration:
 - a prolonged selection procedure for the position of Chief Technical Adviser (joined the team only in August 2016);
 - the fact that the majority of inception stage programmatic tasks were implemented by SARD Programme personnel;
 - a request from beneficiaries to allocate more resources for highly demanded SIPs:the SARD Board endorsed the exclusion of the Chief Technical Adviser's permanent position, replacing it with a series of specific individual technical assistance expertise missions (with a focus on EU LEADER implementation) and with subsequent re-allocation of funds to the SIP support category.
- ✓ Responding to a request from Gagauzia and Taraclia authorities to provide SIP grant support to all communities in the targeted area, after approval by the Fourth Board meeting of the SARD programme, the number of SIP projects supported was increased from 20 to 40 (the number of applications received by the deadline). This decision led to decreasing the SARD maximum ceiling amount per project and required a higher level of local public authorities' contribution to infrastructure projects to ensure their timely completion and quality. Cost-sharing contributions from regional authorities in 2017 approached ~20 Million MDL (~€1 million), in addition to 4 million MDL received from local public authorities. According to the preliminary estimations, the total cost-sharing contribution by the end of the programme implementation will reach up to 30 million from regional authorities and up to 8 million from LPAs.
- ✓ Allocation of 5,000 USD as Institutional support grants for every LPA of the targeted region to support upgrading their capacities;

X. LESSONS LEARNED

The key lesson(s) learned:

- The SARD experience could be successfully replicated in other regions of Moldova or in another country, provided that specific regional context is thought through.
- Good cooperation with local and regional authorities heled a lot managing a complex project in 3 years timeframe, despite an increased workload due to the doubling of infrastructure projects' number.
- Improved capacity of LPAs to strategize and prioritise, leads to a higher degree of commitment, increases local cost-sharing and ensures a higher degree of sustainability of investments;
- It is of utmost importance to consult with major stakeholders and carry out informational campaigns before launching new activities;
- Using established methodologies such as IMC, previously tested by UNDP, ensured the sustainability of efforts.

The SARD experience could be successfully replicated in other regions of Moldova or in another country, provided lessons learnt are taken in consideration and specific regional context is thought through.

XI. MEDIA COVERAGE /VISIBILITY

From May 2016 to December 2018, the SARD Programme organized and participated in more than **130 public events** of different formats (official inaugurations of the social infrastructure projects, business and LEADER projects, forums, conferences, press trips, roundtables, trainings, concerts) where it succeeded in communicating directly with large and diverse target groups in order to promote the EU support for the people living in the targeted region, as well as its results and impact. The staff of the SARD Programme regularly participated in various public events organized by the Programme partners, providing informative messages about the Programme's work, achieved results and perspectives for the future. For example: International Investment Forum "Invest Gagauzia", Europe Day, summer school for young people from Gagauzia etc.

During the reference period, the SARD Programme organized **5 media campaigns** on promotion of SARD results: waste management services, grant competitions and Syslab courses on entrepreneurship and employment. The formats of the events observed the principles and standards of integrated communication and the messages were spread based on target group needs: mass media, the general public, the business community, national and international partners, young people etc.

All the events were widely and intensively promoted in the media, on social media, on the SARD, UNDP and on partners' web pages. More than **1800 media items** were distributed, informing people at large about the Programme's activities and achievements. All the items analysed are mainly positive and point out the benefits deriving from the EU assistance for the people of Gagauzia and Taraclia. Unfavourable coverage was not registered.

In order to promote the activities and the results of the EU-funded SARD Programme and to involve more people in their activities, the programme's electronic page has been launched– www.sard.md and other two dedicated websites – www.syslab.md and www.leadermoldova.eu which have been updated regularly. The sites were user-friendly, simple to navigate in all three languages (Romanian, Russian and English), concise, and is focused on the main function of providing specific information about all SARD components: news, competition, success stories, useful references etc.

The SARD Programme's outcomes and the visibility of EU assistance in ATU Gagauzia and Taraclia were also ensured online by developing and systematically updating the SARD pages on the most popular social media, **Odnoklassniki** and **Facebook**, increasing the number of social media followers and tags on the EU delegation social media account. The UNDP **Twitter** account has also been used to promote key messages and results to external audiences – donors, partners etc.

In order to increase the visibility of the Programme and to promote its messages widely, a set of **digital products** (video and audio spots, video graphic on SARD results, online banner) and **informational and visibility materials** were produced. Some examples of digital products include: video graphic and video spot on SARD results, video success stories about grant beneficiaries, infrastructure projects and LEADER and Syslab beneficiaries, the documentary about the result of the LEADER approach in ATU Gagauzia and Taraclia district; a promotional video spot for the SYSLAB Centre; audio spots for recruiting new learners to the SYSLAB Centre courses; audio spots and GIF banners regarding the grant competitions etc. A series of informative and visible materials were distributed to the Programme's partners, stakeholders, civil society, mass media, business environment, LEADER and business coaches: leaflets for Gagauzia Business Association NEXT, final

SARD brochure with statistics and success stories, “Towards Prospering Rural Areas” I and II brochures on SARD LEADER initiative in Gagauzian, Bulgarian, Romanian, Russian and English languages.

A large number of creative visibility materials have been produced and distributed: informational plaques for all SARD projects (105 plaques for LEADER projects, 8 plaques for LAGs, 45 big and small plaques for infrastructure projects, 30 plaques for grant beneficiaries etc.); SYSLAB leaflets on entrepreneurship and employment; annual block notes; and calendars, T-shirts, bags, banners, stickers, umbrellas, posters, USB flash drives bearing the SARD symbol, eco-friendly bags, roll-ups and flyers for LAGs and grant beneficiaries etc.

The Programme partners were provided with assistance in order to ensure visibility for common activities. To ensure visibility of the SARD activities, we used all communication opportunities offered by our partners (for example, the websites of the Ministry of Agriculture, Regional Development and Environment, Pro Consulting Company, the official websites of ATU Gagauzia and Taraclia District, of the Solidarity Fund and the web pages of the target villages etc.).

An Assessment of awareness about EU projects in ATU Gagauzia was conducted end of November 2018, to find out level of awareness of the population on EU assistance to the region in general and SARD programme in particular (Annex 22). The data show that, 34% of people heard of projects implemented by the EU in their locality and 28% heard about EU projects in another Gagauzian locality; 44 % of questioned people are aware of SARD, and half of them know that the Programme is financed by EU. 78% are in support of a new, similar to SARD, programme.

XII. ANNEXES

1. Communication and Visibility Report
2. Qualitative and quantitative analysis of the SARD media coverage
3. Small-scale Infrastructure projects
4. Inter-Municipal Cooperation projects
5. SME support projects
6. SYSLAB Micro-enterprise projects
7. LPA institutional support projects
8. SARD LAGs List
9. Minutes of the Board Meetings
10. ATU Gagauzia 2017–2022 SEDS (Russian language) (hard copy)
11. Taraclia district 2017-2022 SEDS (Russian language) (hard copy)
12. Legal solution for the registration and operation of LEADER LAGs in Moldova
13. Intervention Measures Package to support business support infrastructure (hard copy)
14. Guide for LEADER/CLLD approach implementation in Moldova
15. IMC Moldova Experience Study
16. SARD Programme Final Booklet
17. SARD final infographics
18. SARD Programme Final Video
19. ROM Mission Report
20. SARD Programme final evaluation report
21. Review of national and regional strategic documents for the implementation of the National Strategy for Agriculture and Rural Development
22. Assessment of awareness about EU projects in ATU Gagauzia

