



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC  
Agenția Elvețiană pentru Dezvoltare și Cooperare  
Швейцарское управление по развитию и сотрудничеству



**skat** Swiss Resource Centre and  
Consultancies for Development

# Barometer of the main gaps, contradictions and constraints existing within the normative framework in the field of communal services

## 2<sup>nd</sup> edition

Chisinau, April 2022

MA IMPLIC Project is funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by Skat Consulting Ltd.

## TABLE OF CONTENTS

INTRODUCTION .....	3
General context.....	3
The scope and focus of the mapping .....	3
Description of the tool.....	4
Application and practical value of the barometer .....	6
I. GAPS, CONTRADICTIONS AND CONSTRAINTS IDENTIFIED IN THE NORMATIVE FRAMEWORK RELATING TO WATER SUPPLY AND SEWERAGE (WSS) .....	7
Dimension 1. Overall legal and institutional framework.....	7
Dimension 2. Normatives, standards and performance indicators.....	13
Dimension 3. Financing and tariffs .....	15
Dimension 4. Property management.....	19
Dimension 5. Intermunicipal cooperation .....	24
II. GAPS, CONFLICTS AND CONSTRAINTS IDENTIFIED IN THE NORMATIVE FRAMEWORK RELATING TO SOLID WASTE MANAGEMENT (SWM) .....	26
Dimension 1. Overall legal and institutional framework .....	26
Dimension 2. Normatives, standards and performance indicators.....	30
Dimension 3. Financing and tariffs .....	31
Dimension 4. Property management .....	33
Dimension 5. Intermunicipal cooperation .....	37
ANNEXES.....	39
Annex 1. Laws, normative acts and regulations in the WSS field relevant for the creation, organization, administration, control and monitoring of WSS service provision .....	39
Annex 2. Laws, normative acts and regulations in the SWM field relevant for the creation, organization, administration, control and monitoring of SWM service provision.....	42
Annex 3. Normative documents regulating the operational activity of the operators in WSS that have to be developed and approved.....	43

*The mapping of gaps, conflicts and constraints existing within the legal and regulatory framework in the field of communal services, 2<sup>nd</sup> edition, was performed by a team of two experts within the Project on civic engagement in local governance – MA IMPLIC, funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by Skat Consulting Ltd.*

*The opinions expressed in this report do not represent the official position of the Swiss Agency for Development and Cooperation (SDC) or of Skat Consulting Ltd.*

# INTRODUCTION

## General context

Access to qualitative communal services represents one of the basic needs of the population while being an important factor for economic development, tourist attractiveness, and a sound environment. The lack of these services has a major impact on the quality of life and represents one of the reasons leading to the depopulation of the rural areas of the country, as the available data<sup>1</sup> show a great disparity in the access to such services between urban and rural areas. Moreover, some communal services are practically inexistent in the villages/communes of the Republic of Moldova. For example, according to the data provided by the National Bureau for Statistics, in 2020 approximately 31% of the rural settlements (260 out of 832) had access to the public service of waste collection as compared to approximately 82% in the urban area (54 urban settlements out of 66)<sup>2</sup>.

According to the existing legislation<sup>3</sup>, the responsibility for the organization and rendering of public communal services is assigned to the local public authorities of the 1<sup>st</sup> level (hereinafter – LPA 1). Although the provision of communal services is an own domain of activity belonging to LPA 1, they may not be left alone in front of this difficult task. According to art. 13 of Law 1402/2002, the central public authorities are responsible to ensure a conducive policy, legal and regulatory framework in the given domain. Likewise, according to the legal provisions, the Government should support LPAs in creating, developing, and improving public communal services, and in developing the infrastructure in this field. Consequently, both levels of LPAs and the central public authorities have a shared responsibility toward the citizens as regards ensuring accessible, safe, and qualitative communal services.

The current situation regarding the access to and quality of communal services is caused by several factors. Structural and systemic issues in the local governance field (such as territorial-administrative fragmentation, limited administrative and financial capacities, low economic potential, depopulation, etc.), have a major impact on the development of the technical-municipal infrastructure and communal services. At the same time, the hypothesis that has been taken as a basis for this mapping exercise is that a coherent and operational institutional and normative framework is also necessary for the good operation of the communal services. For example, the lack of regulations (such as a tariff calculation methodology) or norms for construction could have a direct impact on the financial sustainability of the service, quality of infrastructure, etc.

## The scope and focus of the mapping

The legal and regulatory framework governing the creation, organization, and rendering of public communal services in the Republic of Moldova is a vast one and is composed of multiple documents of various levels: normative acts, departmental administrative acts, construction regulations, standards, etc. The Law on public communal services no. 1402/2002 is the basic (framework) legislative act regulating the creation, organization, and rendering of public communal services. Besides, for some types of communal services, special laws are provided (such as the water supply and sewerage services, thermal energy supply, or management of the housing stock), although such special laws are still missing for other services<sup>4</sup>.

---

<sup>1</sup> Such as the data of the 2014 census, from other reports and statistical data of the National Bureau for Statistics (for instance <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6978>), reports of the Court of Accounts (for instance [this one](#)), various national strategies, etc.

<sup>2</sup> <https://statistica.gov.md/newsview.php?l=ro&idc=168&id=6978>

<sup>3</sup> See article 14 of the Law on public communal services no. 1402/2002, in corroboration with article 4 of the Law on administrative decentralization no. 435 from 26.12.2006

<sup>4</sup> For example, for the communal service of waste management communal, although currently the discussion with the relevant authorities shows that the development of a special law in this domain is also envisaged.

The Law 1402/2002 on public communal services, as amended, includes the following local services to the category of communal services:

- a) water supply;
- b) thermal energy (heating) supply;
- c) sewerage and treatment of wastewater and rainwater;
- d) sanitation (solid waste management), greening of the localities;
- e) local public transport;
- f) administration of the public and private housing fund.

For practical reasons, in the first edition of the Barometer, the mapping exercise was limited to only two communal services operated and rendered both in rural and urban localities, namely the water supply and sewerage service and the solid waste management service. To allow noticing the evolution in time, the second edition of the Barometer selected the same two communal services. At the same time, the corresponding methodology which has been tested for the two above-mentioned domains could be applied in the future (inclusively by the relevant public authorities or development partners/projects) for a similar assessment of the normative framework of other communal services.

The same as in the first edition of the Barometer, the mapping exercise is focused on identifying the gaps and contradictions in the normative framework, which prevent the provision of good quality, affordable and sustainable communal services. In more concrete terms, the mapping captures only the problems (gaps, contradictions, etc.) which have their roots in the normative framework that regulates the organization and rendering of communal services. The structural and systemic issues in the sphere of local governance not directly related to the provisions of the normative framework, such as the lack of human and institutional capacities, shortage of money, etc., will not be part of this inventory.<sup>5</sup>

## Description of the tool

The barometer of the main gaps, contradictions, and constraints existing within the normative framework in the field of communal services represents the result of the mapping exercise performed based on a desk analysis and review (strategies, laws, decisions, studies, articles, etc.) followed by interviews and discussions with relevant stakeholders (mayors and other representatives of the local government, service operators, AMAC, experts in the given field).

The barometer is covering five dimensions that comprise the most important aspects of communal services' creation, organization, administration, control, and monitoring, namely:

Dimension 1: Overall legal and institutional framework

Dimension 2: Normatives, standards, and performance indicators

Dimension 3: Financing and tariffs

Dimension 4: Property management

Dimension 5: Intermunicipal cooperation.

For each dimension, a list of issues (gaps, contradictions, etc.) was compiled accompanied by an assessment and/or verification of the evolution (progress, lack of changes, or regress) and the urgency of fixing the respective problem. In this sense, the mapping is using a color-coding for both the **trend** and **urgency**, as follows:

---

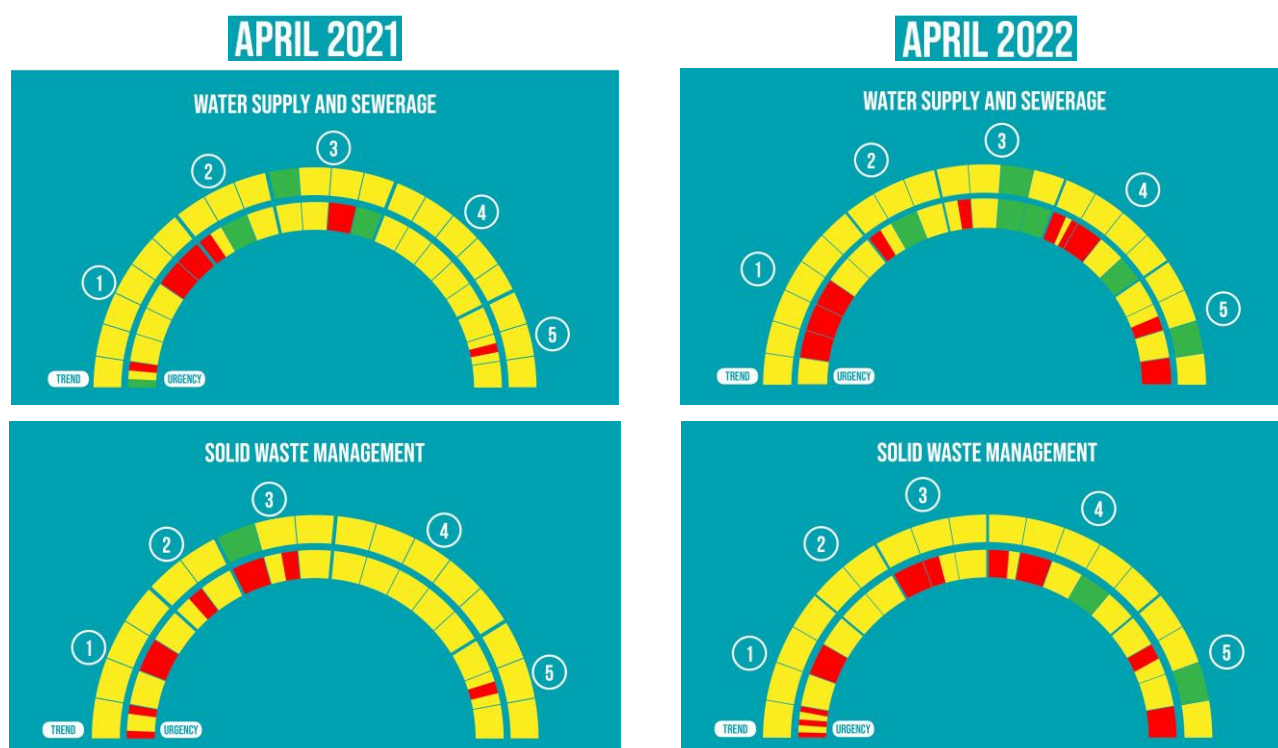
<sup>5</sup> Within the Project on civic engagement in local governance – MA IMPLIC these issues are separately approached in other activities, such as technical and financial assistance offered to LPAs.

Trend		Urgency	
	changes made to the normative framework in the last 12 months have worsened the situation.		very urgent (the status quo with a specific service cannot be improved because of the current legal framework).
	no changes were made to the normative framework in the past 12 months or draft normative documents have been developed, but have not been approved yet.		somewhat urgent (the normative framework is not perfect but local governments can manage or cope with this).
	the changes made to the normative framework in the past 12 months improved the situation in the given domain, progress has been registered in solving certain challenges identified in the 1 <sup>st</sup> edition of the Barometer.		not urgent (the current normative framework is not causing any problems in practice).

Moreover, for each identified problem, as the case may be, the actions necessary/recommended by the team of experts to improve the relevant normative framework or to implement it are shown.

The 2<sup>nd</sup> edition of the Barometer covers the period from April 2021 to April 2022, giving an appreciation of the trend (evolution) and urgency of solving the identified challenges during this period. The first edition of the barometer launched in April 2021 is available on the website of the Ma Implic project<sup>6</sup> and may be consulted for a more complete view of the evolution of the situation in this field.

**Figure 1.** Comparative graphic: visualization of the trend and urgency of issues/gaps identified in the 1<sup>st</sup> and 2<sup>nd</sup> editions of the Barometer for the fields of Water Supply and Sewerage and Solid Waste Management



Source: Developed by the authors

<sup>6</sup> <https://ma-implic.md/download/barometer-of-communal-services-april2021/>

As is shown in the comparative visualization from Figure 1, as well as, in the detailed examination of the findings presented in the tables below, the situation has not evolved much since the 1<sup>st</sup> edition of the Barometer. The main and major evolution concerns the institutional framework, consisting of the reorganization of the former Ministry of Agriculture, Regional Development and Environment by splitting it into two ministries: Ministry of Environment and Ministry of Infrastructure and Regional Development (hereinafter – MIRD). This division also resulted in a division of the competencies in the sphere of communal services, as the water supply and sewerage service have been assigned to MIRD and the waste management service – to the Ministry of Environment. The process is accompanied by some difficulties inherent to an institutional reformation process, but it still needs a lift to complete the transition process and not lead to the worsening of certain issues due to the inefficient fulfillment of certain important functions, such as the development, implementation, and monitoring of public policies.

Likewise, in the period subject to monitoring a series of normative acts have been developed or are in process of development, but mostly they have not been adopted by the competent authorities (methodology for tariff calculation for the waste management service, initiation of an amendment process to law 1402/2002, law 303/2013, a special law for the waste management service, etc.). A positive evolution is also the creation of the National Fund for Regional and Local Development tackling the issue of cofunding in projects with foreign funding, mentioned in the first edition of the barometer.

For the rest, no major changes have been registered since April 2021, when the first edition of the Barometer was presented. It is to mention that for some dimensions, such as Dimension 4. Property management, although the situation stays practically unchanged since the first edition of the Barometer, due to some additional interviews with the relevant authorities and a deeper understanding of the situation, the description of the situation and identified issues were substantially adjusted.

### Application and practical value of the barometer

The barometer's foremost value and function are to provide a comprehensive overview of relevant issues within the normative framework that could be a focus of the central government-local authorities' policy dialogue and/or advocacy campaigns. For a more efficient approach to tackling the identified issues, the central public authority with competencies in the given field could create a dialogue platform (similar to the External Coordination Committees) with the participation of central and local public authorities, foreign partners, specialized associations.

The barometer could also serve as an interinstitutional monitoring tool, showing the evolution over time of various aspects of communal service's normative framework, including in the context of the reforms in the sphere of local public administration. This type of monitoring could have a double impact. On the one hand, it could incentivize the government/ministries to take action to improve the situation in the field of communal services. On the other hand, the clear inventory of the most important challenges made in the Barometer could contribute to the identification of interventions/activities, which could be supported by the development partners through technical assistance, expertise, grants, etc. At the same time, as mentioned above, in the context of the reform of the central public administration performed in 2021, the transfer of competence in the sphere of water supply and sewerage from the Ministry of Environment to the Ministry of Infrastructure and Regional Development has been decided and initiated. Taking into consideration the multiple requests to revise the legal framework in the sphere of WSS, as well as to create a working group in this regard within the Parliament of the Republic of Moldova, the speeding up of the institutionalization of the new domain of competencies within MIRD is wise. For this purpose, the current Barometer could serve as a roadmap for the new subdivision, which will be created within the Ministry of Infrastructure and Regional Development.

# I. GAPS, CONTRADICTIONS AND CONSTRAINTS IDENTIFIED IN THE NORMATIVE FRAMEWORK RELATING TO WATER SUPPLY AND SEWERAGE (WSS)

## Dimension 1. Overall legal and institutional framework

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Normative framework in the field of WSS (overview)	The public service of water supply and sewerage is regulated by Law no. 303/2013. In 2018 the law was updated more substantially to eliminate the identified gaps and to adapt it to the EU acquis <sup>7</sup> . Currently, under the auspices of the Committee for Environment and Regional Development, a working group was created and operates to examine this law and prepare a draft law for its amendment and completion. In this context, the working group could take into consideration the findings from this Barometer and certain challenges mentioned by the relevant stakeholders during interviews and discussions. See more details in the sections below.			<ul style="list-style-type: none"> <li>• Support of the activity of the working group created under the auspices of the Parliamentary Committee for Environment and Regional Development for the assessment and amendment of law 303/2013 (technical assistance and active participation of the relevant institutions);</li> <li>• Impact analysis of Law 303/2013;</li> <li>• Functional analysis of the institutional framework in the sphere of WSS at a central level (authorities responsible for policy development and implementation, regulatory authorities, control authorities, etc.).</li> </ul>
	<p>Law no. 1402/2002 on communal public services needs a throughout assessment and update in line with the actual evolutions and trends. Thus, the analysis of the law shows that IMC aspects and mechanisms are poorly reflected and incorporated in the law, the law does not distinguish between LPA 2 and 1 (it operates with the generic notion of "local public authorities" without specification).</p> <p>Another example is the unclarity regarding the notion of service provider: on the one hand, the definition (Art. 2) mentions that „a service provider is a legal person...“, and art. 10 letter c) of the same law stipulates that natural persons and/or their associations may also be service providers. For comparison, the law 303/2013 does not include natural persons and/or their associations in the list of service providers that may manage the WSS service</p>			<ul style="list-style-type: none"> <li>• Assessment of the Law 1402/2002 and its update according to the current requirements and realities;</li> <li>• Correlation of the law with other relevant legislative acts (and vice-versa), including those from the field of local public administration (law 435 and 436), with the law 303/2013, with the Civil Code, etc.</li> <li>• A more clear reflection of the central specialty authorities responsible for the domain of communal services, not only of the Government;</li> </ul>

<sup>7</sup> Law No. 322 from 30.11.2018 for the amendment of the Law no. 303/2013 on the public service of water supply and sewerage // Official Monitor No. 86-92 from 08.03.2019



Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>(see Art. 13, para. (4)).<sup>8</sup> Consequently, during the assessment of the Law 1402/2002 and preparation of the draft law for its amendment and completion, these inadvertences should be taken into consideration (either to adjust the definition from article 2 or to exclude the natural persons and their association from among the communal service providers, if this is deemed to be fit).</p> <p>A third aspect that has to be clarified in the process of adjustment of the law is the one related to the assignment of the goods that are part of the public communal service systems to the public domain of the administrative-territorial unit (art. 4, para. (2)). More details regarding this aspect are given in Dimension 4 „Property management“.</p> <p>It is to mention that currently, according to the discussions with the relevant authorities in the context of completing the legislation in the field of waste management, the process of revising the Law 1402/2002 is initiated (at least planned). Although the revision is relating to the waste management services, the made amendments could also have an impact on other general provisions of the law (applicable to all communal services regulated by the law).</p>			<ul style="list-style-type: none"> <li>In the process of working on the law revision, examine the opportunity to create a specialized National Regulator responsible for the field of communal services (see more details in the paragraphs below).</li> </ul>
	<p>Some provisions from Law 303/2013 on WSS or the Law of public communal services no. 1402/2002 contains ambiguous provisions regarding the role of LPA 2 in the organization and rendering of communal services (see, for example, the syntagm “of rational interest” or “rendered at a raion level” which leaves room for interpretation). Article 4 of the Law no. 435/2006 on administrative decentralization and article 8 of the law 303 define the rendering of WSS services as a domain of activity specific to LPA 1, consequently, the raion authorities may only have a complementary/cooperation role (financial support, for example) at the initiative and request of LPA I, and any interference should be excluded.</p>			<ul style="list-style-type: none"> <li>Inclusion in the respective laws of provisions to clarify the syntagma “public communal services of local or raional level/interest” and “rendered at a raion level” to avoid confusion regarding the authorities competent to create those public communal services. The right to create communal services of raional/regional level should be explicitly granted to LPAs of the first level, as this right is to be exercised by them by association/intermunicipal cooperation (Intermunicipal Development</li> </ul>

<sup>8</sup> Apropos, in this way the status of the Water Consumer Associations, which still continue to manage the WSS service in many localities, remains unclear, but as the service providers in rural areas are not subject to licensing currently and are not subject to regulation by ANRE, this form continues to be used contrary to the legal provisions.



Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
				Associations – IDA, Ltd, JSC or other current or future legal organizational forms (i.e. IDA which is still in process of legalization)).
General aspects of the national institutional framework in the field of WSS	<p>As a result of the reform of the central specialized public administration in 2021, the Ministry of Agriculture, Regional Development and Environment has been divided again into the Ministry of Environment and Ministry of Infrastructure and Regional Development, and the infrastructure domain was transferred from the Ministry of Economy to the current Ministry of Infrastructure and Regional Development (hereinafter - MIRD). The delimitation of competencies between the two ministries resulted in the transfer of the field of water supply and sewerage to MIRD, including the aspects relating to funding capital investments in the service infrastructure, and policies and normative framework. Nevertheless, currently, the transfer of the entire competence portfolio in the field of WSS to MIRD has not been done yet; the ministry only fulfills the duties relating to instruments for funding the infrastructure in this field. It is necessary to speed up the transition process, including the formation of a specialized directorate (subdivision) within MIRD, which shall be responsible for WSS, development of the necessary regulations, employment and training of staff, etc. An important aspect is ensuring the keeping/overtaking of institutional memory, as currently the civil servants that have dealt with this field previously stayed in the composition of the Ministry of Environment (it would be very useful to employ or detach at least several civil servants previously dealing with WSS into the new subdivision within MIRD). On the other hand, the aspects relating to water protection and management of water basins remain further on in the portfolio of the Ministry of Environment.</p> <p>It is to mention that from the normative/formal point of view, the central specialized authority responsible for the policies in the sphere of WSS is not clearly established in the legislation. Thus, article 6 of Law 303/2013 does not specify which ministry shall fulfill the function of the central specialized body of the public administration in the sphere of the public water supply and sewerage service, and the Regulation on the organization and</p>			<ul style="list-style-type: none"> <li>• Speeding up the process of transfer of the competencies portfolio in the field of WSS from the Ministry of Environment to MIRD;</li> <li>• Forming the subdivision responsible for the field of WSS within MIRD;</li> <li>• Ensuring the keeping of institutional memory.</li> </ul>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>operation of the Ministry of Infrastructure and Regional Development approved by GD 690/2017 does not mention expressly WSS among the domains in which the ministry fulfills certain functions (see para. 6 of the Regulation).</p> <p>With the transfer of the infrastructure domain from the Ministry of Economy to MIRD, the issue of competencies delimitation in the sphere of communal services between these two ministries, mentioned in the first edition of the Barometer, is not valid anymore. Nevertheless, the issue of construction normatives and standards which, before this institutional reform, was the competence of the Ministry of Economy and Infrastructure, remains as sharp and important as before. On the other hand, the Ministry of Economy remains responsible for the policies in the sphere of public property management (see paragraph 6 of GD 143/2021 for the approval of the Regulations of the Ministry of Economy), a very important aspect especially in case of large projects in which part of the communal service infrastructure will be the property of the state.</p>			
National regulator	<p>Law 303/2013 on WSS attributed the competencies of the national regulator in the WSS field to ANRE.</p> <p>According to articles 7 and 32 of Law 303/2013, the activity of ANRE is oriented towards regulating the activity of larger service providers (providing services at a raion, municipiu, and city level). According to the information placed on the ANRE website, currently, 44 service providers in the country are license holders<sup>9</sup>. The activity of other service providers is not coordinated and, accordingly, is subjected to financial, organizational, and other risks.</p> <p>Uncertainty in this regard is created by the provisions of para. (5) of art. 7 of this law, which stipulates that "the service providers supplying/rendering the water supply and sewerage public service at the level of a village/commune provided with centralized water supply and sewerage systems <b>shall be subject to the procedure of regulation, licensing, tariff</b></p>			<ul style="list-style-type: none"> <li>Clarification of the duties of ANRE concerning the service providers rendering services in villages /communes provided with centralized water supply, sewerage and wastewater treatment systems, as currently the provisions of para. (5) art. 7 of the law is not implemented.</li> <li>In the more general context of the discussions regarding the creation of a National Regulator responsible for all public communal services, consider the transfer of the duties fulfilled now by ANRE to such an agency (see the example of the National Regulator for Public Utilities of Romania<sup>10</sup>). A separate institution focused</li> </ul>

<sup>9</sup> <https://www.anre.md/alimentare-cu-apa-si-canalizare-3-321>

<sup>10</sup> <https://www.anrsc.ro/>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p><b>approval in the same conditions as the service providers supplying/rendering the water supply and sewerage public service at a raion, municipiu and city level</b>". In practice this is not accepted and is interpreted differently by ANRE. On the other hand, ÎM „Apă-Canal Măgdăcești" of Măgdăcești village, Criuleni raion, is also included in the list of 44 above mentioned licensed service providers, which generates uncertainty regarding the way of interpretation and application of legal provisions by ANRE.</p> <p>Another important aspect is that, as no monitoring of the activity of all service providers in the WSS domain is performed, none of the state institutions has information on the number of service providers rendering water supply and sewerage services in the Republic of Moldova (there is no database or list of all WSS service providers, including those from villages/communes, for instance).</p>			exclusively on communal services (as ANRE has preponderantly duties in the energy domain) would also facilitate the solutions to the issue of small service providers in villages, which are not currently covered by ANRE.
National licensing authority	<p>According to Law 303/2013, the licensing of WSS service providers is done by ANRE. As mentioned above, ANRE licenses only large service providers (rendering services at a raion, municipiu and city level) and does not get involved in the activity of small service providers (rural level), although para. (5) of art. 7 of Law 303/2013 stipulates several provisions in this regard, which have not been excluded during the last amendment of the law (in 2018). On the other hand, some LPA representatives have mentioned that the requirements and criteria for licensing WSS service providers are not realistic and are excessive for WSS service providers from rural areas. Nevertheless, the analysis of the licensing conditions provided in para. (3) of art. 32 of the Law 303 reveals that these do not include any excessive requirements, as they include quite minimal aspects for a good operation of a legal person and service provider managing a vital public service, including the related infrastructure.<sup>11</sup></p>			<ul style="list-style-type: none"> <li>Clarification of the duties of ANRE about the service providers rendering services in villages /communes provided with centralized water supply, sewerage and wastewater treatment systems, as currently the provisions of para. (5) art. 7 of the law is not implemented.</li> </ul>

<sup>11</sup> To obtain the license, the legal persons should:

a) be registered in the Republic of Moldova;

b) present a financial statement for the previous year – in case of an operating legal person or an extract from the bank account – in case of initiating enterprise activity;

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Control in the field of WSS (exercised by ANRE and other agencies and public institutions)	<p>The control of WSS service providers and services is regulated by the Law 303/2013 and by the Law 131/2012 on the governmental control of entrepreneurial activity (the annex to the law 131/2012 includes ANRE in the list of authorities applying the respective law, at the extent at which this is not contrary to the provisions of the laws regulating their control and supervision activity).</p> <p>Moreover, art. 9 of Law 303/2013 mentions in a vague (generic) way the authorities having the right to exercise state control on WSS services but does not list in a clear/specific way the supervision/control bodies and the assigned competencies. Only art. 9<sup>1</sup> stipulates in more detail the right, procedure, and type of control done by ANRE.</p>			<ul style="list-style-type: none"> <li>Examining the opportunities of listing correctly the name of the supervisory and control bodies and a more detailed definition of the control domains;</li> <li>A more detailed/deep mapping of the control/supervisory bodies and types of performed control to exclude the overlapping of control domains.</li> </ul>
Permits	<p>The environmental permit for special use of water for water supply is issued by the Environmental Agency, according to Law 160/2011 and Law on water 272/2011. At the same time, according to Law 303/2013, the WSS service providers shall be subject to licensing, which is also a permit. Accordingly, the WSS service provider should hold two permits: the License and the Permit for special use of water (for water intake and wastewater disposal). The examination of para. (3) of Article 32 of Law 303 shows that the list of conditions necessary to be fulfilled by a WSS service provider to obtain a license does not include the condition of holding an environmental permit for the special use of water. This could be an additional mechanism to ensure the holding of an environmental permit for the special use of water by the service providers.</p>			<ul style="list-style-type: none"> <li>Including in the list of conditions necessary to be fulfilled by WSS service providers to obtain a license, stipulated in para. (3) of Article 33 of Law 303, the condition of presenting the environmental permit for the special use of water (or the automatic obtaining of information from the relevant IT systems, not necessarily its presentation by the license applicant).</li> </ul>

c) present the list of assets of the public or private domain of the administrative-territorial unit pertaining to the water supply and sewerage service managed and operated by them, in case of service providers supplying/rendering water supply and sewerage service;

d) present documents confirming that it has qualified staff necessary for the activity for which the license is requested;

e) present the technical registration endorsement confirming the metrological provision of the water consumption records.

## Dimension 2. Normatives, standards and performance indicators

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Construction normatives, quality standards, and technical parameters (sanitary, bacteriological, chemical for drinking water, for discharged wastewater, etc.) for the provision of the service,	<p>New construction normatives have been adopted and partly replaced old soviet SNIps and GOSTs (NCM G.03.01:2017 for Low-capacity communal wastewater treatment plants; NCM G.03.02:2015 for External sewerage networks and installations; Regulation on the main principles in design and construction of external water supply systems of small localities with consumption less than 200 m3/day).</p> <p>Nevertheless, the current regulations and normatives do not offer solutions for certain specific problems faced by the rural communities, such as the status of and requirements for septic tanks. In conditions of financial austerity and high costs of the classic centralized systems of sewerage and wastewater treatment, as well as due to the specific conditions not allowing the operation of such systems at their optimal parameters in most rural communities (low density of users per network km, low wastewater volume discharged, topographic properties, long pumping distances, etc.), regulating and encouraging the use of septic tanks would be a temporary/transition solution much better than the current situation when wastewater is infiltrated in the soil</p> <p>Having examined the Thematic Plan for the development of normative documents in constructions for 2022, the development of a single normative in the sphere of water supply and sewerage was planned (NCM Aqueduct networks and exterior installations), and in 2021 no procedure of tendering for any normative in the mentioned domain has been reported. The lack of progress in developing the necessary normatives may be due to a series of uncertainties that have to be taken into consideration and discussed among the central public authorities:</p> <ul style="list-style-type: none"> <li>- Lack of sufficient financial resources;</li> <li>- Lack of participation of the representatives of the public central authorities within the specialized technical committees the function of which is to initiate proposals regarding the development/approval of</li> </ul>			<ul style="list-style-type: none"> <li>• Improving the decision-making process and detailed examination of the requests of central public authorities and specialized associations in the process of development of the annual thematic plans for the development of normatives/regulations.</li> <li>• Development of a normative document for the construction, and maintenance of septic tanks (or a separate normative document for small wastewater discharge (sewerage) systems in rural communities<sup>12</sup>).</li> <li>• Development of the Instructions on the disinfection of drinking water and treated wastewater, washing and disinfecting water reservoirs and water pipes – this document would serve as a regulating framework for the process of disinfection of the drinking water, wastewater and sludge deposit, washing and disinfection of water reservoirs, installations, and pipelines.</li> </ul>

<sup>12</sup> A concept note has been development within the EUWI + project regarding the development of a separate normative document for small wastewater discharge (sewerage) systems in the Republic of Moldova.

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>new construction normative or the amendment/revision of existing construction normative;</p> <p>- Arbitrary adoption of decisions by the central public authority competent in the domain of constructions at the development of Annual Thematic Plans.</p>			
	<p>Regarding the standards for water quality, the law 182/2019 on the quality of drinking water is not distinguish between LPA I and LPA II, which may create confusion regarding the holder of the competence or obligation to act (see for instance article 8, para 1; article 9, para 4; article 10, para 7; article 13, para. 1).</p> <p>There are no changes in comparison with the situation described in the first edition of the Barometer.</p>			<ul style="list-style-type: none"> <li>The provision of this normative act should be adjusted to clearly distinguish between the role of LPA I and LPA II.</li> </ul>
Performance indicators for the service providers in the WSS field	The framework performance indicators were approved at the national level by ANRE. No specific problems and gaps relating to such framework indicators were identified currently.			<ul style="list-style-type: none"> <li>Strengthening the capacities of LPAs to monitor the fulfillment by the service providers of the performance indicators included in the contracts on delegating the service management.</li> </ul>
Normatives regulating the operational activity of the service providers	A series of normatives are necessary and have to be developed to bring clarity and increase the efficiency of activity of the service providers rendering public communal services, they are planned, but till now MIRD has not made progress on these initiatives. No bids were presented as a result of the call for proposals made by the Ministry of Environment in the process of launching a tender for contracting a company to develop such documents.			<ul style="list-style-type: none"> <li>Development and approval of a series of additional norms (see Annex 3). For this, it is necessary to identify the necessary financial resources and verify the topicality and eventual completion of the terms of reference, specifications, and advertising notice for the relaunching of the procurement procedure.</li> </ul>

### Dimension 3. Financing and tariffs

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Methodology for calculation and approval of tariffs for WSS services	<p>The existing legislation, especially the Law no. 303/2013 on the public water supply and sewerage service does not provide the possibility of a consultative endorsement (aviz) for the calculation of tariffs for WSS services supplied at the level of rural communities. Some mayors mentioned that such endorsement would be extremely important, especially in the conditions when the local council refuses to adjust the tariffs. Likewise, let. j<sup>1</sup>), para. (2), art. 14 of Law 436/2006 on the local public administration, as well as let. l), para. (1), art. 8 of Law 303/2013 provides the possibility for all LPAs to delegate to the Agency the competence to approve the tariffs for the public water supply and sewerage service, without specifying whether these are services rendered at a raion, municipiu, city level. On the other hand, art. 7, para. (2), let. l) of Law 303 stipulates the duty of the Agency to approve tariffs only for the WSS services rendered by service providers at a raion, municipiu, or city level when the corresponding local councils have delegated to the Agency the full right to approve tariffs. Some village/commune mayors mentioned that they would also like to delegate such competence (by decision of the local councils) to ANRE, but the law does not provide such a possibility. Although article 7, para. (5) stipulates that "the service providers rendering the public water supply and sewerage service at the level of a village/commune provided with centralized water supply, sewerage, and wastewater treatment systems shall be subject to the procedure of regulation, licensing, tariff approval in the same conditions as the service providers rendering the public water supply and sewerage service at the level of a raion, municipiu, city". Moreover, as mentioned above, the list of licensed service providers published on the official website of ANRE also includes the service provider from Măgdăcești village, Criuleni, while the decision to license such service providers is not clear concerning other service providers from the country. At the same time, there is no definition of the notion of "centralized water supply, sewerage, and wastewater treatment system" in the law, which leaves room for interpretation and leads to confusion.</p>			<ul style="list-style-type: none"> <li>• Revision of the procedure/methodology of endorsement of the tariff calculation by ANRE, so that, at the request of the WSS service providers operating at a village/commune level and having centralized water supply, sewerage and wastewater treatment systems, to stipulate the possibility of issuing a consultative endorsement (including against the payment of a single fee or regulatory payment for the issue of such endorsement).</li> <li>• Likewise, the possibility of allowing the delegation of the competence to approve tariffs also for the services rendered at the level of a village/commune provided with centralized systems should be considered.</li> <li>• When the law is revised by the created working group, it is suitable to define the notion of "centralized water supply, sewerage, and wastewater treatment system" used in the text of article 7, para. (5) of the law.</li> <li>• Nevertheless, the proposed activities may be performed only after a detailed analysis and interpretation of the legal norms provided by article 7, para. (5) of Law 303 by the Parliament of the Republic of Moldova.</li> </ul>



Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	Although the above-mentioned challenges expressed by the LPA representatives remain valid, the determination of the paradigm of developing the WSS sector and service is a primordial one. Namely in the sense that, especially in the context of regionalization, both under the aspect of infrastructure (water mains, preponderant water supply from surface sources, etc.), and of WSS service management, a possible solution could consist in the gradual absorption or merging of the small service providers into larger service providers, by inter-municipal cooperation.			
	<p>Some LPA representatives mentioned the fact that the current methodology for tariffs calculations is not adapted for small WSS operators from rural areas. A more thorough analysis of the issue reveals that actually, the lack of qualified staff is one of the main reasons for the difficulty in applying the methodology and not the fact that the activity of service providers operating at a village/community level may not be framed within the current calculation methodology. The issue is also worsened by the fact that the service providers operating in villages/communes are not part of the branch associations (AMAC) and do not benefit from support and training to the same extent as the larger service providers. Within CALM, a service has been created to support these service providers (SOMAS)<sup>13</sup>, consequently, this option should be used more effectively by small service providers, including concerning capacity building (training) or specifically when support is needed regarding tariff calculation.</p> <p>An aspect that could incentivize service regionalization would be the creation of mechanisms to motivate the local public authorities to associate in rendering the services, including the introduction of some funding conditions in this regard.</p>			<ul style="list-style-type: none"> <li>• Training the relevant staff of the service providers and LPAs from villages/communes;</li> <li>• Appealing to the support provided by associations and specialized services (i.e., AMAC or SOMAS);</li> <li>• Development of a methodological note (guidelines) on the application of the calculation methodology;</li> <li>• Contracting consultancy services (the development of a list of experts with contact details would be beneficial);</li> <li>• Eventually, the development of a simplified Methodology for the service providers in rural areas (an additional consideration of such opportunity is needed);</li> <li>• Development of incentivizing mechanisms for the local authorities to initiate the processes of regionalization of the service providers of public water supply and sewerage services.</li> </ul>
Taxation of WSS operators, payments, and tariffs collected	The communal services, including WSS provided to the population, are exempted from VAT (article 103, para. 16 of the Fiscal Code of RM). However, the municipal enterprises/service providers pay 20% VAT for the goods and services that they purchase (raw materials, disinfectants, equipment, etc.).			<ul style="list-style-type: none"> <li>• Examination of the opportunity to apply for the exemption from VAT for the WSS operators or at least the decrease of the VAT rate for the purchased goods and services (for ex. from 20% to 8%).</li> </ul>

<sup>13</sup> CALM Service to Support Small Water Supply and Sewerage Service Providers

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Funding the investments in WSS infrastructure	The first edition of the Barometer noted that there was no mechanism (fund) established at the national level, to cover/help to cover LPA's contributions within major investment projects. In the meantime, the National Fund for Regional and Local Development was created, which, among other things, offers the possibility to cover the cofounding costs of the LPAs in projects with external funding.			<ul style="list-style-type: none"> <li>Increasing LPA's capacities in project management (including in writing project proposals).</li> </ul>
Amortization of assets	<p>Law 303/2013 stipulates in its article 13<sup>1</sup>, para (11) that the value of the royalty should not be less than the amortization of the concessional assets relating to the WSS service. Such provision has been introduced in 2019 by the Law no. 322 from 30.11.2018 for the amendment of the Law no. 303/2013, and its purpose is to ensure the financial sustainability of the WSS service providers, including by gathering the necessary financial resources for the repayment of loans and for making investments in infrastructure. Although generally, this provision is necessary for a good operation of WSS services, the impact that such provision may have on tariff affordability should be taken into account and necessary mechanisms to ensure the access of vulnerable people to this service should be in place.</p> <p>Moreover, according to the information presented by the representatives of WSS service providers, with the introduction of the provision in article 13<sup>1</sup> through the Law 322 from 2018, a very difficult situation arose when the calculation of the depreciation (and its inclusion in the tariff) is not possible anymore, because royalty should be provided and paid, which would be used for this purpose (covering the amortization costs). But on the other hand, of all the 45<sup>14</sup> license holders, only one has established the royalty value in the management delegation contract, while the others either have management delegation contracts without including the royalty or do not have management delegation contracts at all (the situation according to the information presented by ANRE to the Parliamentary Committee for Environment and Regional Development on 27.10.2021). This situation is currently a vicious circle that, according to the representatives of the WSS</p>			<ul style="list-style-type: none"> <li>Evaluation of the impact of establishing a royalty that would fully cover the amortization of concessional goods on tariff affordability and, as the case may be, taking the necessary actions to ensure that the service is accessible to the vulnerable population as well.</li> <li>Identification and implementation of a mechanism to accelerate the process of signing the management delegation contracts for WSS services and inclusion of royalty in the respective contracts.</li> <li>The approach to this issue by the working group for the amendment of the law 303 to identify possible legislative solutions (for instance, if royalty is not provided, activation of a reserve mechanism to solve the bottleneck).</li> </ul>

<sup>14</sup> Note: in the letter of the Agency from 27.10.2021, 45 license holders are mentioned, while on the website of the Agency (visited on 12.04.2022) only 44 are listed <https://www.anre.md/alimentare-cu-apa-si-canalizare-3-321> .

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>service providers, will lead to the degradation of infrastructure and a decrease in the capacities of the service providers.</p> <p>Some interviewed LPA representatives justified the fact that no royalty has been established in the management delegation contract concluded with the service provider by the fact that according to the Law 246/2017 they decided, at the distribution of the net profit of the municipal enterprise, to allocate a part of it to the local budget. Nevertheless, it is to mention that according to article 36<sup>1</sup>, para. (5) of law 303, these (the royalty and the distribution from the net profit of the enterprise) are two different sources of the development fund, while the allocation into the local budget of the LPA based on law 246/2017 allows spending such money for other domains as well, they do not have an earmarked destination as in the case of the development fund.</p>			

#### Dimension 4. Property management

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Registration of objects/goods belonging to WSS systems	In 2014, the Government of RM approved the Concept of the automated information system "Register of technical-municipal infrastructure objects" (ROITE) <sup>15</sup> , and in 2017 the Parliament approved the law on the Register of technical-municipal infrastructure objects <sup>16</sup> . Currently, the Public Services Agency (PSA) is in process of selecting the developer for the development of the platform (informational system) necessary for the operationalization of the register. Consequently, currently, the technical-municipal infrastructure objects are not subject to registration (property rights and other real rights). Besides the registration of a property right, a major issue relating to the non-registration of the technical-municipal infrastructure objects is also the non-registration and lack of information about the protected areas of such objects and interdictions/burdens involved. According to the ROITE concept, the owners of the lands do not know about the burdens imposed by the legislation in the protected areas of such objects, for this reason, conflicts arise between the owners of the lands and the owners of the technical-municipal infrastructure objects. It is to mention that previously, in the absence of clarity in this domain, some technical-municipal infrastructure goods/objects were registered in the register of real estate, but this practice is incorrect and has been stopped, as such objects are not real estate objects.			<ul style="list-style-type: none"> <li>Implementation of the necessary activities to operationalize the register of technical-municipal infrastructure objects (selecting the developer, testing, launching);</li> <li>Informational campaign for LPAs with the launching of the register;</li> </ul>
	<p>There is no clear mechanism at a normative level to delineate and register the assets part of WSS systems.</p> <p>According to PSA, this operation is preliminary to the registration of such objects in the Register and involves the development and the agreement of inventory lists by the concerned public authorities (LPAs of various levels, CPAs), eventually accompanied by the transmission into the property (GD 901/2015).</p>			<ul style="list-style-type: none"> <li>Support (methodical, training, informational) in the development of the inventory lists of the technical-municipal infrastructure objects by the concerned authorities.</li> </ul>

<sup>15</sup> Government Decision no. 133 from 24.02.2014 // Official Monitor no. 53-59 from 07.03.2014

<sup>16</sup> Law no. 150 from 14.07.2017 // Official Monitor no. 277-278 from 04.08.2017

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>There is no clear and effective mechanism for transmitting into the property of LPAs the goods and infrastructure obtained from grants/projects implemented by associations, NGOs and other authorities (not directly by LPAs) or built by natural/legal persons on the lands in a public property (see art. 19 para (4) of law 303/2013).</p> <p>A specific situation proving the revealed gap is the fact that there are fruit-growing partnerships in the suburbs of municipalities, where infrastructure systems have been built on public lands and LPAs have not taken such networks in their administration/property. The service providers in municipalities extend the number of service beneficiaries without establishing the mechanism of handing over the infrastructure systems.</p> <p>Moreover, the situation is even more unclear after the provision "<i>free of charge at the balance</i>" contained in para (4) art. 19 of law 303/2013 has been declared unconstitutional.</p> <p>Consequently, it is necessary to either adjust the provisions of GD 901/2015, with the identification of the correct procedure of transmitting the investment costs to LPA, or to develop a separate normative document regulating a simplified procedure, as has been done in the case of the projects implemented from the sources of the National Fund for Regional Development or of the foreign partners, but implemented through the mechanism specific to regional development (GD 1235/2016).</p>			<ul style="list-style-type: none"> <li>It is necessary to develop a simplified mechanism for the transmission of infrastructure systems in the ownership or at the balance of LPAs, eventually by completing GD 901/2015 and other relevant normative documents.</li> <li>The development of guidelines and a methodological note would also be useful.</li> </ul>
	<p>Article 4, para. (2) of the law 1402 stipulates that „public communal service systems, including the related lands, as they are of public use, interest or utility, belong, by their nature or according to the law, to the public domain of the administrative-territorial units“. At the same time, art. 2 of the law defines the notion of public communal service systems as a set of constructions, technological installations, functional equipment, and specific amenities by which the administration, maintains good operating conditions and efficiency of all the components of the housing-communal domain is ensured. Although the purpose of these provisions is a noble</p>			<ul style="list-style-type: none"> <li>In the context of revising the law 1402, analysis of the situation and clarification, which technical-municipal infrastructure objects and which parts of the public communal service system are assigned to the public domain – all of them or only the most essential ones (like the wastewater treatment plants, networks, major equipment, etc.)</li> </ul>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	one, to protect such goods (as the goods of the public domain are unalienable, unattachable and imprescriptible), in practice these provisions create some difficulties. Especially during the implementation of certain projects with external funding, it is necessary to transmit into the property of the LPA even some more “insignificant” equipment, without the possibility of transmitting them directly into the property of the service provider. In the case of intermunicipal service providers, this is a serious limitation, as some equipment has to be divided in shares among several LPAs. On the other hand, many service providers hold into property equipment purchased by them as a result of the activity.			
Evaluation of goods related to the WSS systems	<p>There is no methodology for the evaluation of the objects belonging to the WSS systems (technical-municipal infrastructure objects).</p> <p>This is an urgent need, as in the absence of primary accounting documents and other necessary documents, it is difficult to evaluate and register the property right, especially in the context when a wide regionalization process is proposed, which would mean the delegation of the right to manage the service and the infrastructure related to it.</p>			<ul style="list-style-type: none"> <li>• Development of a methodology to evaluate the goods belonging to the WSS system;</li> <li>• Offering methodological support to LPAs and to WSS service providers for the performance of the process of evaluation of goods.</li> </ul>
Tools for storage and evidence of datasets regarding the objects belonging to WSS systems	The law on the principles of urbanization and territorial arrangement <sup>17</sup> stipulates in articles 62-65 the creation and keeping of the functional urban cadaster, and subsequently, the Government has approved the Regulations on the creation and keeping of the functional urban cadaster (GD 1300/2001). This functional urban cadaster should have become the informational platform for the keeping of the data regarding the technical-municipal objects (for instance, positioning, diameters, materials, state, capacities, stock-taking, etc. – see p. 3.4 and 3.5 of the above regulations). For various reasons, the functional urban cadaster has not been created and does not represent a functional system. The law stipulates that LPAs shall ensure, from the funds of the local budgets, the creation and keeping of the functional urban cadaster for the territories managed by them. Nevertheless, according to the regulations, the responsible entities for the creation of the functional urban cadaster shall			<ul style="list-style-type: none"> <li>• Development of a study for the determination of the situation in the sphere of the functional urban cadaster, confirming the need for the tool in the light of other existing instruments/platforms, determination of the responsible central institutions, eventually the development of a national program/roadmap for the creation of the system.</li> </ul>

<sup>17</sup> Law no.. 835 from 17.05.1996 // Official Monitor no. 1-2 from 02.01.1997

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>be: at a national level – the central public authority in the sphere of urbanization and territorial arrangement, at a regional and local level – the local public authorities (local bodies or architecture and urbanization). Among the main reasons explaining the non-creation of the functional urban cadaster, the lack of financial resources and qualified staff in the LPAs, the lack of guidance and initiative from the central specialized bodies, etc. may be mentioned.</p> <p>Nevertheless, with the support of various projects, some platforms/tools have been piloted, comprising certain datasets (for instance, gislocal.md developed by ANRF with the support of the My Community project implemented by IREX and funded by USAID), but these by far do not include all the datasets provided by GD 1300/2001.</p>			
	<p>The legal and regulatory framework is not defining the conditions and the parameters for the datasets to be submitted in digital form. There is also a lack of a mechanism for accountability and penalization for not submitting at all or in an appropriate format the datasets regarding the objects belonging to WSS systems and also for the failure to comply with the conditions for keeping and archiving the datasets concerning the object belonging to WSS systems.</p>			<ul style="list-style-type: none"> <li>Preparation of a draft law to include the requirement/obligation to establish and maintain a digital tool for the storage of the datasets regarding the objects belonging to WSS systems, as well as the requirement to submit the datasets in digital form when new objects are put into operation (commissioned).</li> </ul>
Keeping records of infrastructure objects from WSS systems	<p>Keeping the records of the objects belonging to WSS systems should be ensured by the owner of the goods or by the service provider to which the management of the service and related infrastructure has been delegated.<sup>18</sup> The law 1402/2002 stipulates in article 5, para. (1) that the public communal service systems with the related lands shall be inventoried and the records on them shall be kept in the real estate-municipal cadasters organized at the level of the administrative-territorial units according to the law, to identify, register and represent on maps and cadastral plans, as well as in the urbanization and territorial arrangement documentation.</p> <p>No specific issues have been identified regarding the normative framework for keeping the records on the assets related to communal</p>			<ul style="list-style-type: none"> <li>See the recommendations above regarding the functional urban cadaster as a tool for keeping records on the infrastructure objects within the communal service (technical-municipal) systems.</li> </ul>

<sup>18</sup> The accounting records of the goods (assets) is an economic-financial function and should not be mistaken for the registration of the property right on such goods.



Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>services, but in practice, not all LPAs fulfill this function efficiently. On the other hand, when LPA concludes the contract of service management delegation with the service provider, the inventory of movable and real estate in public or private property of the administrative-territorial units related to the rendered service is mandatorily attached.</p> <p>The keeping of records on the infrastructure objects within the public communal service systems is also related to the issue of the functional urban cadaster described above, but it may take place in other forms, as well, including in specialized software or simple lists/tables (Word, Excel, etc.).</p>			

## Dimension 5. Intermunicipal cooperation

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Overall legal framework on the inter-municipal cooperation in general and in the WSS field	The normative framework regarding IMC is general and lacks clear mechanisms for initiating, developing, and ending an IMC. There is no special law on IMC, there are few specific provisions in the Law on local public administration and Law on communal public services that apply to IMC. Likewise, at the level of the central public administration, there is no institution with a clear mandate to develop policies and legislation in the field of IMC under a general and transversal aspect (each ministry approaches tangentially this aspect from the point of view of the domain managed by it).			<ul style="list-style-type: none"> <li>There was a legislative initiative in the Parliament regarding the Intermunicipal Development Associations (IDA), but it has not been examined in the plenary session in the Parliament (in any reading).<sup>19</sup> It is necessary to promote the draft law (eventually to register it again, if it has become null after the reelection of the legislative body), as well as to develop a study on the need to develop a favorable legal framework for IMCs.</li> </ul>
Legal forms for institutionalizing the IMC	The recent changes to the civil code have excluded the legal form of union of legal persons that was used by some municipalities to establish IMCs (as, for example, the waste management association in the South Development Region).			<ul style="list-style-type: none"> <li>Identification of an organizational-legal form that may be used by LPAs to create non-profit IMCs. Promotion of the draft law on IDAs registered in the Parliament of Moldova, with the improvements suggested during the endorsement and consultation process.</li> </ul>
	The approval of the new law on state and municipal enterprises and the subsequent practices makes it impossible to register municipal enterprises with more than one founder, while this was the main legal/institutional form used by LPAs to initiate IMCs.			<ul style="list-style-type: none"> <li>Amendment of the law on state and municipal enterprises to offer several LPAs the possibility to jointly create an IMC (municipal enterprise with several founders) as it was before the law has been approved, based on the former framework regulation on municipal enterprises.</li> </ul>
Incentives for IMCs	The current legal and regulatory framework does not provide any incentives for IMCs. Nevertheless, the creation of the Fund for regional and local development is a positive evolution, as both for regional development and for local development projects a certain score is given for the inter-municipal projects.			<ul style="list-style-type: none"> <li>Examination of the opportunity to create mechanisms giving incentives to IMCs, such as priority during calls for projects financed from national funds, possible tax facilities, etc.</li> </ul>

<sup>19</sup> <http://parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/5211/language/ro-RO/Default.aspx>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Mechanisms to ensure the sustainability of IMC projects	Many IMC initiatives funded by donors or from national funds fail after a short period (for example, the local council refuses to accept the waste from other partner localities, termination of the cooperation agreement, etc.).			<ul style="list-style-type: none"> <li>• Identification of measures to monitor the IMC projects funded from national funds and by the development partners, making participating LPAs accountable to ensure the sustainability of such projects.</li> </ul>

## II. GAPS, CONFLICTS AND CONSTRAINTS IDENTIFIED IN THE NORMATIVE FRAMEWORK RELATING TO SOLID WASTE MANAGEMENT (SWM)

### Dimension 1. Overall legal and institutional framework

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
The legal and regulatory framework in the field of SWM (overview)	<p>The SWM organization and provision are not regulated by a special/dedicated law. Law 209/2016 on waste is focused on measures necessary for the protection of the environment and public health by preventing or reducing the adverse effects of waste generation and management and by reducing the overall effects of the use of resources and increasing the efficiency of their use, <u>but it is not regulating in details the organization, functioning, administration of the SWM public service.</u></p> <p>According to the discussions with the competent authorities, currently, the development of a law on the public waste management service is in process.</p>			<ul style="list-style-type: none"> <li>It is necessary either to amend/complete the Law 1402/2002 regulating, as a framework law, the basic principles for the organization of communal services or to develop a new law regulating the organization and operation of SWM services (still, the best option is the development and approval of a separate law dedicated to the waste management service and adjustment of the law 1402 only where it is necessary from the general perspective of all communal services).</li> </ul>
	Article 11 of Law 209/2016 on waste is not specifying and does not distinguish between different levels of local public administration.			<ul style="list-style-type: none"> <li>Revision of article 11 of the law on waste, with the concrete specification of the competencies of LPA 1 and LPA 2 (if the latter have any competencies in this domain).</li> </ul>
	Currently, the law provides an exception from procurement rules of delegating by tender the management of communal services only for the water supply and sewerage service, in case of service providers will fully public capital, in which case the delegation may take place directly to such service providers. For the public waste management service, such an exception is not provided. In the context of creating regional service providers in the waste management regions created according to the national strategy on waste management, it is of utmost need to ensure a similar exception for these service providers (which will be with fully public capital). As the funding programs performed with the support of EBRD and EBI envisage a wide program to strengthen the			<ul style="list-style-type: none"> <li>Amending the law 1402/2002 (art. 21, para. (2)) to ensure the possibility of direct delegation (without a tender) of the waste management service to the regional service providers created in the waste management regions established according to the national strategy. The exception shall also be included in the special law on the waste management service, which shall be developed. It is important namely to ensure the exception only for these regional service providers, not for the small service</li> </ul>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	capacities of the service provider, it is necessary that the service provider is known and that there is stability and surety regarding the service provider, but its selection as a result of a tender would make this impossible and would bring even more risks.			providers created by each LPA in part, to encourage and to have an additional tool to incentivize LPAs to become a part of the system created in the waste management regions.
	Article 9, point c) of the Law 1515/1993 on environment protection mentions that the raion authorities jointly with local authorities for the environment are supervising and coordinating the activity of town halls (LPA1) [...] in the field of storage and processing of production and household waste. This provision is not fully in line with the provisions of article 6 of Law 436/2006 which stipulates that there are no relations of subordination between the public authorities of the first and the second level of local public administration.			<ul style="list-style-type: none"> <li>According to the legislative provisions, if there are several laws with the same force, the provisions of the last law/amendments approved shall apply. Still, to have a better coherence of the normative framework, it is necessary to adjust such provisions to take into account art. 6 of law 436/2006.</li> </ul>
	A major gap identified in the current normative framework is the lack of efficient legislative and institutional solutions for the problem of the inhabitants refusing to conclude contracts for the waste removal (collection) service. The representatives of LPAs have reported multiple situations when the inhabitants refuse to sign such contracts grounding this by the fact that they do not produce waste, bury it, etc. and they don't have what to pay for. Taking into consideration the comparative practice of other countries that have introduced mechanisms automating the signing of waste removal contracts (there is no option not to sign a contract), tackling this issue and an eventual adjustment of the normative framework are imperative.			<ul style="list-style-type: none"> <li>It is necessary to amend the law no. 209 and eventually the law no. 1402 and to include provisions stipulating that when there is a communal service provided (water supply, sewerage, or SWM) the population should conclude waste removal contracts, otherwise penalties shall be applied for causing damage to the environment.</li> </ul>
The national institutional framework in the field of SWM	<p>As a result of separating the two ministries from the previous MARDE, the domain of waste management has been assigned to the Ministry of Environment, both under the aspect of infrastructure and under the aspect of policies and normative framework in the given field.</p> <p>Unlike the WSS field, article 9 of the law on waste 209/2016 expressly stipulates the competent authority entrusted with competencies and responsibilities regarding the waste management regime. Still, the law has not yet been adjusted after the central public administration reform</p>			<ul style="list-style-type: none"> <li>Adjustment of article 9 of law 209/2016 and of the regulation of the ministry (GD 145/2021) to establish clearly the quality of an institution of the central public administration responsible for the policies in the field of waste management, including the public communal service of waste management</li> </ul>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	in 2021, the law still mentions MARDE and not the Ministry of Environment. On the other hand, as in the case of WSS, the Regulation on the organization and operation of the Ministry of Environment approved by GD 145/2021 <sup>20</sup> does not expressly stipulate SWM among the domains in which the ministry shall fulfill certain functions (see p. 6). Still, the Regulation mentions the Directorate for policies in the management of chemical waste and substances in the structure of the central body of the ministry.			
National regulator	Even though there is no institution entrusted to regulate the given public services as such, as in the case of WSS, in 2019 certain functions of national regulatory authority in the SWM field were attributed to the National Agency for Environment (issue of the environmental permit). According to the discussions with the relevant authorities, the draft law on the public waste management services shall institute a regulatory agency in this domain, as well (and most probably these functions shall be also taken by ANRE).			<ul style="list-style-type: none"> <li>The need to identify the institution responsible for the regulation is relatively urgent, and its absence creates confusion and the lack of a single national framework for the development of some standards to ensure efficient management, and it creates divergences regarding: <ul style="list-style-type: none"> <li>Quality standards;</li> <li>Evaluation of service quality;</li> <li>Lack of procedures to license the service providers;</li> <li>Lack of a clear tariff calculation framework that shall contribute to ensuring the sustainability and quality of services.</li> </ul> </li> </ul>
Licensing or authorization of the SWM activities	<p>The Law on the regulation by authorization of the entrepreneurial activity no. 160/2011, foresees the following requirements:</p> <ul style="list-style-type: none"> <li>a license for the collection, storage, processing, marketing, and export of waste and scrap of non-ferrous metals, used batteries, and accumulators, including in a processed form (issued by the Agency for Public Services);</li> <li>Environmental permit for waste management (issued by the National Agency for Environment);</li> </ul>			<ul style="list-style-type: none"> <li>The lack of a regulatory institution represents, for the moment, one of the most acute problems affecting the quality of rendered services and the sustainability of investments. It is necessary to identify the institution that could undertake such functions.</li> </ul>

<sup>20</sup> Government Decision no. 145 from 25.08.2021 // Official Monitor no. 206-208 from 01.09.2021

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	See the comments above on the existence of the permit and license in the sphere of WSS.			



## Dimension 2. Normatives, standards and performance indicators

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Construction normatives and quality standards for the provision of the SWM service	At the national level, there are specialized regulations for the management of specific types of waste (medical, electrical and electronic devices, batteries and accumulators, dangerous waste, etc.), but there are no quality standards for municipal/household waste.			<ul style="list-style-type: none"> <li>It is necessary to approve the following regulations (or framework regulations): <ul style="list-style-type: none"> <li>- On the organization and operation of SWM services</li> <li>- On landfills</li> <li>- On used oil</li> <li>- On used tires</li> <li>- On motor vehicles out of use</li> </ul> </li> </ul>
	<p>Currently, we see that there are no standards and normatives for landfills.</p> <p>Although in the process of developing the first edition of the Barometer, the authority competent in the sphere of construction norms mentioned that, by the end of 2021, the construction normatives for the construction of regional polygons/landfills for municipal waste shall be developed, we see that they have not been included in the Thematic plan for the development of construction normatives for 2021. Only in 2022, this document includes the development of the Methodic-organizational normative "Development – design of landfills" and the public procurement procedure has been launched in this regard.<sup>21</sup></p>			<ul style="list-style-type: none"> <li>It is necessary and urgent to develop the construction normatives for the regional waste polygons (landfills) and transfer stations, especially in the context of the investment processes in the sphere of waste funding from the financing agreement concluded with the European Investment Bank and European Bank for Reconstruction and Development.</li> </ul>
Performance indicators for the service providers in the SWM field	The framework performance indicators for SWM service are not developed and approved at the national level.			<ul style="list-style-type: none"> <li>In the waste field, the institution that would ensure licensing / regulation and control of the operators rendering public communal services in the field of waste is not identified, these functions are uncertainly distributed within various normative acts.</li> </ul>

<sup>21</sup> [https://midr.gov.md/files/shares/Plan\\_de\\_achizi\\_ii\\_n\\_domeniul\\_construcțiilor\\_2022\\_semnat.pdf](https://midr.gov.md/files/shares/Plan_de_achizi_ii_n_domeniul_construcțiilor_2022_semnat.pdf)

### Dimension 3. Financing and tariffs

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Methodology of tariff calculation and approval for SWM services	<p>There is no methodology for calculation and approval of tariffs for SWM, for waste collection.</p> <p>It is to mention that there are two models to finance the service – based on a tariff for rendered services according to the contracts concluded with the users and based on a local tax – tax for sanitation, instituted for waste collection (without any contracts between the service providers and users). In both cases, the amount of the tariff/tax is established by the local council.</p> <p>With the support of the development partners, a draft calculation methodology has been developed. The regulatory impact assessment report has been developed. It shall be approved by a Government Decision.</p>			<ul style="list-style-type: none"> <li>It is necessary to finalize and approve the Methodology of tariff calculation, as well as the mechanism of approval and application, and also to identify the institution that would ensure the performance of those activities. It is important to develop Guidelines for the LPAs and it would be important to also ensure the institution of training courses within LPAs which would build the capacities of LPAs in tariff calculation for both WSS and SWM.</li> <li>At the same time, with the support of GIZ Moldova and of the Regional West Office of GIZ Germany, within a collaboration project with the P.I. "Environment projects implementation unit", a series of proposals shall be submitted regarding the creation of a patronage association of service providers in the sphere of waste, similarly to AMAC in the sphere of WSS, which could create a necessary support platform for LPAs.</li> </ul>
Taxation of SWM operators, collected payments, and tariffs	<p>The communal services, including SWM, are exempted from VAT (article 103, para. 16 of the Fiscal Code of RM). At the same time, the municipal enterprises/operators have to pay VAT (20 %) for the purchased goods and services (raw material, disinfectants, equipment, etc.).</p> <p>A specific situation is noticed when the SWM service is rendered based on a local sanitation tax, not based on individual contracts signed with the beneficiaries – article 103, para 16 of the Fiscal Code of Moldova provides the exemption from VAT only for the services rendered to the population, while in this format the service provider does not sign a contract with the population and LPAs and the services do not benefit from the exemption.</p>			<ul style="list-style-type: none"> <li>Examination of the opportunity to apply for the exemption from VAT for SWM operators or at least to decrease the VAT rate for the purchased goods and services (for ex., from 20 % to 8%).</li> <li>Amendment of art. 103, para 16 of the Fiscal Code to expressly provide the situation when the services are rendered based on a local sanitation tax and, consequently, no contracts are concluded with the household beneficiaries.</li> </ul>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Funding the investments in SWM infrastructure	<p>It was noted in the first edition of the Barometer that there was no mechanism (fund) established at the national level, to cover/help to cover LPA contributions within major investment projects.</p> <p>The only source of funding for the projects in the SWM area is the National Ecologic Fund, which, nevertheless, due to some delayed procedures of finishing the feasibility studies for the 8 waste management regions, had a decreased funding of the projects in this field. At the same time, currently, a new regulatory framework is being developed, according to which the Fund shall be called National Environmental Fund and shall establish new rules of funding for environmental and climate change protection programs.</p> <p>However, it is to mention that currently, the National Ecologic Fund does not have mechanisms for co-funding the projects funded from external sources, which has to be adjusted, taking into consideration that the SWM field is not eligible for funding from the sources of the National Fund for Regional and Local Development.</p> <p>Currently, with support from EBRD and EBI, are in process of completing the Gap analysis studies for the update of the feasibility studies for 3 waste management regions (1, 5, and 8), and the Government shall attract a loan from these funding institutions to perform the projects of infrastructure and edification of waste management systems in those three areas.</p>			<ul style="list-style-type: none"> <li>• Strengthen the capacities of LPAs in project management (including in writing project proposals);</li> <li>• Ensure support for the LPAs from the sources of the National Ecologic Fund for the co-funding of projects funded from external sources.</li> </ul>

#### Dimension 4. Property management

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Registration of objects/goods belonging to SWM systems	In 2014, the Government of RM approved the Concept of the automated information system "Register of technical-municipal infrastructure objects" <sup>22</sup> , and in 2017 the Parliament approved the law on the Register of technical-municipal infrastructure objects <sup>23</sup> . Currently, the Public Services Agency (PSA) is in process of selecting the developer for the development of the platform (informational system) necessary for the operationalization of the register. Consequently, currently, the technical-municipal infrastructure objects are not subject to registration (property rights and other real rights). Besides the registration of a property right, a major issue relating to the non-registration of the technical-municipal infrastructure objects is also the non-registration and lack of information about the protected areas of such objects and interdictions/burdens involved. According to the ROITE concept, the owners of the lands do not know about the burdens imposed by the legislation in the protected areas of such objects, for this reason, conflicts arise between the owners of the lands and the owners of the technical-municipal infrastructure objects. It is to mention that previously, in the absence of clarity in this domain, some technical-municipal infrastructure goods/objects were registered in the register of real estate, but this practice is incorrect and has been stopped, as such objects are not real estate objects.			<ul style="list-style-type: none"> <li>Implementation of the necessary activities to operationalize the register of technical-municipal infrastructure objects (selecting the developer, testing, launching)</li> <li>Informational campaign for LPAs with the launching of the register;</li> </ul>
	<p>There is no clear mechanism at a normative level to delineate and register the assets part of SWM systems.</p> <p>According to PSA, this operation is preliminary to the registration of such objects in the Register and involves the development and agreement of inventory lists by the concerned public authorities (LPAs of various levels, CPAs), eventually accompanied by the transmission into the property (GD 901/2015).</p>			<ul style="list-style-type: none"> <li>Support (methodical, training, informational) in the development of the inventory lists of the technical-municipal infrastructure objects by the concerned authorities.</li> </ul>

<sup>22</sup> Government Decision no. 133 from 24.02.2014 // Official Monitor no. 53-59 from 07.03.2014

<sup>23</sup> Law no. 150 from 14.07.2017 // Official Monitor no. 277-278 from 04.08.2017

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	There is no clear and effective mechanism for transmitting into the property of LPAs the goods and infrastructure obtained from grants/projects implemented by associations, NGOs, and other authorities (not directly by LPAs) or built by natural/legal persons on the lands in public property. Consequently, it is necessary either to adjust the provisions of GD 901/2015, with the identification of the correct procedure of transmission of the investment costs to LPA, or to develop a separate normative document to regulate a simplified procedure, as it has been done in the case of the projects implemented from the sources of the National Fund for Regional Development or of the foreign partners, but implemented through the specific mechanism for regional development (GD 1235/2016).			<ul style="list-style-type: none"> <li>It is necessary to develop a simplified mechanism for the transmission of infrastructure systems, eventually by completing GD 901/2015 and other relevant normative documents.</li> <li>The development of guidelines and a methodological note would also be useful.</li> </ul>
Evaluation of goods related to the SWM systems	<p>There is no methodology for the evaluation of the objects belonging to the SWM system (technical-municipal infrastructure objects).</p> <p>This is an urgent need, as in the absence of primary accounting documents and other necessary documents, it is difficult to evaluate and register the property right, especially in the context when a wide regionalization process is proposed, which would mean the delegation of the right to manage the service and the infrastructure related to it.</p>			<ul style="list-style-type: none"> <li>Development of a methodology to evaluate the goods belonging to the SWM system;</li> <li>Offering methodological support to LPAs and SWM service providers for the performance of the process of evaluation of goods.</li> </ul>
Tools for storage and records of datasets regarding the objects belonging to SWM systems	The law on the principles of urbanization and territorial arrangement <sup>24</sup> stipulates in articles 62-65 the creation and keeping of the functional urban cadaster, and subsequently, the Government has approved the Regulations on the creation and keeping of the functional urban cadaster (GD1300/2001). This functional urban cadaster should have become the informational basis for the keeping of the data regarding the technical-municipal objects (for instance, positioning, diameters, materials, state, capacities, stock-taking, etc. – see p. 3.4 and 3.5 of the above regulations). For various reasons, the functional urban cadaster has not been created and does not represent a functional system. The law stipulates that LPAs shall ensure, from the funds of the local budgets, the creation and keeping of the functional urban cadaster for the territories managed by			<ul style="list-style-type: none"> <li>Development of a study for the determination of the situation in the sphere of the functional urban cadaster, confirming the need for the tool in the light of other existing instruments/platforms, determination of the responsible central institutions, eventually the development of a national program/roadmap for the creation of the system.</li> </ul>

<sup>24</sup> Law no. 835 from 17.05.1996 // Official Monitor no. 1-2 from 02.01.1997

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>them. Nevertheless, according to the regulations, the responsible entities for the creation of the functional urban cadaster shall be: at a national level – the central public authority in the sphere of urbanization and territorial arrangement, at a regional and local level – the local public authorities (local bodies or architecture and urbanization). Among the main reasons explaining the non-creation of the functional urban cadaster, the lack of financial resources and qualified staff in the LPAs, the lack of guidance and initiative from the central specialized bodies, etc. may be mentioned.</p> <p>Nevertheless, with the support of various projects, some platforms/tools have been piloted, comprising certain datasets (for instance, gislocal.md developed by ANRF with the support of the My Community project implemented by IREX and funded by USAID), but these by far do not include all the datasets provided by GD 1300/2001.</p>			
	The legal and regulatory framework is not defining the conditions and the parameters for the datasets to be submitted in digital form. There is also a lack of a mechanism for accountability and penalization for not submitting at all or in an appropriate format the datasets regarding the objects belonging to SWM systems and also for the failure to comply with the conditions for keeping and archiving the datasets concerning the object belonging to SWM systems.			<ul style="list-style-type: none"> <li>Preparation of a draft law to include the requirement/obligation to establish and maintain a digital tool for the storage of the datasets regarding the objects belonging to SWM systems, as well as the requirement to submit the datasets in digital form when new objects are put into operation (commissioning).</li> </ul>
Keeping records of infrastructure objects from SWM systems	Keeping the records of the objects belonging to SWM systems should be ensured by the owner of the goods or by the service provider to which the management of the service and related infrastructure has been delegated. <sup>25</sup> The law 1402/2002 stipulates in article 5, para. (1) that the public communal service systems with the related lands shall be inventoried and the records on them shall be kept in the real estate-municipal cadasters organized at the level of the administrative-territorial units according to the law, to identify, register and represent on maps			<ul style="list-style-type: none"> <li>See the recommendations above regarding the functional urban cadaster as a tool for keeping records on the infrastructure objects within the communal service (technical-municipal) systems.</li> </ul>

<sup>25</sup> The accounting records of the goods (assets) is an economic-financial function and should not be mistaken for the registration of the property right on such goods.

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
	<p>and cadastral plans, as well as in the urbanization and territorial arrangement documentation.</p> <p>No specific issues have been identified regarding the normative framework for keeping the records on the assets related to communal services, but in practice, not all LPAs fulfill this function efficiently. On the other hand, when LPA concludes the contract of service management delegation with the service provider, the inventory of movable and real estate in public or private property of the administrative-territorial units related to the rendered service is mandatorily attached.</p> <p>The keeping of records on the infrastructure objects within the public communal service systems is also related to the issue of the functional urban cadaster described above, but it may take place in other forms, as well, including in specialized software or simple lists/tables (Word, Excel, etc.).</p>			
Requirements for the establishment of the development fund by SWM service providers	<p>Unlike WSS, the legislation does not provide for the creation of a development fund for the SWM service. Moreover, the funds collected on the account of the local sanitation tax do not have a special destination (not earmarked) and might be used by the LPA for other purposes than SWM financing.</p>			<ul style="list-style-type: none"> <li>Inclusion of the development fund in the draft law on the public waste management service, which is in course of development under the auspices of the Ministry of Environment.</li> </ul>



## Dimension 5. Inter-municipal cooperation

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Overall legal framework on the inter-municipal cooperation in general and in the SWM field	The normative framework regarding IMC is general and lacks clear mechanisms for initiating, developing, and ending an IMC. There is no special law on IMC, there are few specific provisions in the Law on local public administration and Law on communal public services that apply to IMC. Likewise, at the level of the central public administration, there is no institution with a clear mandate to develop policies and legislation in the field of IMC under a general and transversal aspect (each ministry approaches tangentially this aspect from the point of view of the domain managed by it).			<ul style="list-style-type: none"> <li>There was a legislative initiative in the Parliament regarding the Intermunicipal Development Associations (IDA), but it has not been examined in the plenary session in the Parliament (in any reading).<sup>26</sup> It is necessary to promote the draft law (eventually to register it again, if it has become null after the reelection of the legislative body), as well as to develop a study on the need to develop a favorable legal framework for IMCs.</li> </ul>
Legal forms for institutionalizing the IMC	The recent changes to the civil code have excluded the legal form of union of legal persons that was used by some municipalities to establish IMCs (as, for example, the waste management association in the South Development Region).			<ul style="list-style-type: none"> <li>Identification of an organizational-legal form that may be used by LPAs to create non-profit IMCs. Promotion of the draft law on IDAs registered in the Parliament of Moldova, with the improvements suggested during the endorsement and consultation process.</li> </ul>
	The approval of the new law on state and municipal enterprises and the subsequent practices makes it impossible to register municipal enterprises with more than one founder, while this was the main legal/institutional form used by LPAs to initiate IMCs.			<ul style="list-style-type: none"> <li>Amendment of the law on state and municipal enterprises to offer several LPAs the possibility to jointly create an IMC (municipal enterprise with several founders) as it was before the law has been approved, based on the former framework regulation on municipal enterprises.</li> </ul>
Incentives for IMCs	The current regulatory framework and financial/fiscal system do not provide any incentives for IMCs. Nevertheless, the creation of the Fund for regional and local development is a positive evolution, as both for regional development and for local development projects a certain score is given for the inter-municipal projects.			<ul style="list-style-type: none"> <li>Examination of the opportunity to create mechanisms giving incentives to IMCs, such as priority during calls for projects financed from national funds, possible tax facilities, etc.</li> </ul>

<sup>26</sup> <http://parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/5211/language/ro-RO/Default.aspx>

Dimension	Identified issues and gaps	Trend	Urgency	Necessary/recommended actions
Mechanisms to ensure the sustainability of IMC projects	Many IMC initiatives funded by donors or from national funds fail after a short period (for example, the local council refuses to accept the waste from other partner localities, termination of the cooperation agreement, etc.).			<ul style="list-style-type: none"> <li>Identification of measures to monitor the IMC projects funded from national funds and by the development partners, making participating LPAs accountable to ensure the sustainability of such projects.</li> </ul>

## ANNEXES

### Annex 1. Laws, normative acts and regulations in the WSS field relevant for the creation, organization, administration, control and monitoring of WSS service provision

#### A. Laws

- Law on water supply and sanitation no. 303 from 31.12.2013 // Official Monitor no. 60-65 from 14.03.2014;
- Law on local public administration no. 436 from 28.12.2006 // Official Monitor no. 32-35 from 09.03.2007;
- Law on administrative decentralization no. 435 from 28.12.2006 // Official Monitor no. 29-31 from 02.03.2007;
- Law on communal public services no. 1402 from 24.10.2002 // Official Monitor no. 14-17 from 07.02/2003;
- Law on the quality of the drinking water no. 182 from 19.12/2019 // Official Monitor no. 1-2 from 03.01.2020;
- Law on water no. 272 from 23.12.2011 // Official Monitor no. 81 from 26.04.2012;
- Law on housing no. 75 from 30.04.2015 // Official Monitor no. 131-138 from 29.05.2015;
- Law on condominiums in the housing stock no. 913 from 30.03.2000 // Official Monitor no. 130-132 from 19.10.2000;
- Law on the Register of technical-utility infrastructure objectives no. 150 from 14.07.2014 // Official Monitor no. 277-288 from 04-08-2014;
- Law on procurement in the energy, water, transport and postal services sectors no. 74 from 21.05.2020 // Official Monitor no. 153-158 from 26.06.2020;
- Law on the regulation by authorization of the entrepreneurial activity no. 160 from 22.07.2011 // Official Monitor no. 170-175 from 14.10.2011.

#### B. Government's Decisions

- Government's Decision no. 199 from the 20<sup>th</sup> of March 2014 on the approval of the Water Supply and Sanitation Strategy (2014-2030) (amended by GD 442 from 01.07.2020)
- Government's Decision no. 191 from 19.02.2002 on the for the approval of the Regulation on the manner of provision and payment for housing, communal and non-communal services for the housing stock, metering of apartments and the conditions for their disconnection from / reconnection to heating and water supply systems // Official Monitor no. 29-31 from 28.02.2002;
- Government's Decision no. 506 from 01.11.2019 for approving the Framework Procedure for the organization, execution and award of contracts for the delegation of the management of the water supply and sewerage public service // Official Monitor no. 346-351 from 22.11.2019;
- Government's Decision no. 950 from 25.11.2013 for the approval of the Regulation on requirements for collection, treatment and discharge of wastewater in the sewerage and/or emission system for urban and rural localities // Official Monitor no. 284-289 from 06.12.2013;
- Government's Decision no. 1466 from 30.12.2016 for the approval of the Sanitary Regulation on small drinking water supply systems // Official Monitor no. 60-66 from 24.02.2017;
- Sanitary norms on the quality of drinking water (annex no. 2 to GD no. 934 of 2007) – currently the draft DG is being developed on the Sanitary Regulations on the supervision and monitoring of the quality of drinking water (by the Ministry of Health)
- Government's Decision no. 802 from the 09<sup>th</sup> of October 2013 for the approval of the Regulation on the conditions of discharge of wastewater in water bodies. (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=350109>)
- Government's Decision no. 894 from the 12<sup>th</sup> of November 2013 for the approval of the Regulations on the organization and operation of the one-stop-shop in the sphere of environmental permits for special use of water. (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=350368>).

## C. Regulatory Acts

### *Decisions of the National Agency for Energy Regulation*

- Decision no. 286 from 17.10.2018 of the National Agency for Energy Regulation on the approval of the Regulation on the procedures for submitting and examining licensees' applications for regulated prices and tariffs // Official Monitor no. 430-439 from 17.10.2018;
- Decision no. 355 from 27.09.2019 of the National Agency for Energy Regulation on the approval of the Framework Regulation for the organization and operation of the water supply and sewerage public service // Official Monitor no. 352-359 from 29.11.2019
- Decision no. 356 from 27.09.2019 of the National Agency for Energy Regulation for the approval of the Framework Regulation on performance indicators for the water supply and sewerage public service // Official Monitor no. 352-359 from 29.11.2019;
- Decision no. 357 from 27.09.2019 of the National Agency for Energy Regulation for the approval of the Regulation on principles of investments in the water supply and sewerage sector // Official Monitor no. 352-359 from 29.11.2019;
- Decision no. 358 from 27.09.2019 of the National Agency for Energy Regulation on the approval of the Framework Specifications of the water public supply and sewerage service // Official Monitor no. 352-359 from 29.11.2019;
- Decision no. 359 from 27.09.2019 of the National Agency for Energy Regulation on the approval of the Framework Contract for the provision of the public water supply and sewerage service // Official Monitor no. 352-359 from 29.11.2019;
- Decision no. 489 from 20.12.2019 of the National Agency for Energy Regulation on the approval of the methodology for the calculation, approval and application of tariffs for water supply, sewerage and wastewater treatment public services // Official Monitor no. 55-61 from 21.02.2020;
- Decision no. 180 from 10.06.2016 of the National Agency for Energy Regulation on the approval of the Regulation on the calculation and proving, to determine tariffs, of the technological consumption and water losses in public water supply systems // Official Monitor no. 206-214 from 15.07.2016;
- Decision no. 270 from 16.12.2015 of the National Agency for Energy Regulation on the approval of the Methodology on the approval and application of tariffs for auxiliary services provided to consumers by operators of the public water supply and sewerage service // Official Monitor no. 55-58 from 16.12.2015.

### *Construction standards and normatives*

- NCM G.03.01:2017 for Low-capacity communal wastewater treatment plants adopted by the Order no. 382 from 19.12.2017 of the Ministry of Economy and Infrastructure.
- NCM G.03.02:2015 for External sewerage networks and installations adopted by the Order 56 from 25.04.2016 of the Ministry of Regional Development and Construction.
- Regulation on the basic principles of design and construction of external water supply systems of small localities with consumption less than 200 m<sup>3</sup>/day adopted by the Order no. 179 from 04.04.2018 of the Ministry of Economy and Infrastructure.
- Code of Practices G.03.08: 2020 introducing new permanent norms for the design and construction of small water supply systems (less than 200 m<sup>3</sup>/day) in the Republic of Moldova (adopted by the Order no. 162 from September 01, 2020 of the Ministry of Economy and Infrastructure).
- SnIP 2.04.02-84\* Water supply. External networks and installations.
- NCM G.03.03:2015 (MCH 4.01-02) "Interior installations of water supply and sewerage", adopted by order no. 124 from 18.11.2015 of the Ministry of Regional Development and Construction (Official Monitor 2015, no. 317-323, art. 2267);
- NCM G.03.01-2012 Low-capacity communal wastewater treatment plants, adopted by order no. 48 from 15.04.2013 of the Ministry of Regional Development and Construction (Official Monitor, 2013, no. 104-108, art. 584);
- CP D.01.06-2012 Determination of the admissible limits of harmful substances in the superficial debits (flows) for the conditions of the Republic of Moldova;
- CP G.03.01-2006 Design and mounting of the pipelines of interior cold and hot water supply systems using polymer covered steel pipes;

- CP G.03.02-2006 Design and mounting of the pipelines of water supply and sewerage systems made of polymeric materials;
- CP G.03.03-2011 Design and mounting of the underground water supply pipelines of plastic pipes with glass fiber;
- CP G.03.04-2011 Design, mounting and operation of interior sewerage systems of polypropylene pipes;
- CP G.03.05-2011 Design and mounting of interior water supply and heating systems of buildings made of copper pipes;
- CP G.03.06-2011 Design and mounting of underground sewerage pipeline of pipes made of plastic materials and reinforced with glass fiber;
- CP G.03.07:2016. System of natural biologic epuration of communal wastewater in filters planted with macrophytes (phytofilters);
- CP G.04.11.-2013 Methodology of calculation of the heat losses, the unregistered volume of hot water, hot water losses in the communal systems of household hot water supply.
- SNiP 3.05.04-85 External water supply and sewerage networks and installations. Rules of performance and acceptance of works;
- SNiP 3.05.05-84 Technological equipment and technological pipelines;
- Manual on the design of installations for underground water intake (to SNiP 2.04.02-84);
- Manual on the design of installations for water cleaning and treatment (to SNiP 2.04.02-84\*);
- Manual on the determination of the wall thickness of steel pipes, choice of trademarks, groups and categories of steel for external water supply and sewerage networks (to SNiP 2.04.02-84 and SNiP 2.04.03-85);
- SNiP 2.03.11-85 Protection of construction structures from corrosion;
- SN 456-73 Norms for allocation of lands for main water supply lines and sewerage collectors.

## Annex 2. Laws, normative acts and regulations in the SWM field relevant for the creation, organization, administration, control and monitoring of SWM service provision

### A. Laws:

- Law on waste no. 209 from 29.07.2016 // Official Monitor no. 459-471 from 23.12.2016
- Law on local public administration no. 436 from 28.12.2006 // Official Monitor no. 32-35 from 09.03.2007;
- Law on administrative decentralization no. 435 from 28.12.2006 // Official Monitor no. 29-31 from 02.03.2007;
- Law on communal public services no. 1402 from 24.10.2002 // Official Monitor no. 14-17 from 07.02/2003;
- Law on environment protection no. 1515 from 16.06.1993 // Official Monitor no. 10 from 30.10.1993;
- Law on housing no. 75 from 30.04.2015 // Official Monitor no. 131-138 from 29.05.2015;
- Law on condominium in the housing stock no. 913 from 30.03.2000 // Official Monitor no. 130-132 from 19.10.2000;
- Law on the Register of technical-utility infrastructure objectives no. 150 from 14.07.2014 // Official Monitor no. 277-288 from 04-08-2014;
- Law on the regulation by authorization of the entrepreneurial activity no. 160 from 22.07.2011 // Official Monitor no. 170-175 from 14.10.2011

### B. Government's Decisions

- Government's Decision no. 191 from 19.02.2002 on the for the approval of the Regulation on the manner of provision and payment for housing, communal and non-communal services for the housing stock, metering of apartments and the conditions for their disconnection from / reconnection to heating and water supply systems // Official Monitor no. 29-31 from 28.02.2002;
- Government's Decision no. 212 from 07.03.2018 on for the approval of the Regulation on waste electrical and electronic equipment // Official Monitor no. 95-104 from 23.03.2018;
- Government's Decision no. 682 from 11.07.2018 on the approval of the Concept of the Automated Information System "Waste Management" // Official Monitor no. 267-275 from 20.07.2018
- Government's Decision no. 561 from 31.07.2020 on the approval of the Packaging and Packaging Waste Regulation // Official Monitor no. 212-220 from 21.08.2020
- Government's Decision no. 696 from 11.07.2018 on for the approval of the Sanitary Regulation on the management of waste resulting from medical activity // Official Monitor no. 295-308 from 10.08.2018
- Government's Decision no. 637 from 27.05.2003 on the control of cross-border transportation of waste and their disposal // Official Monitor no. 99 from 06.06.2003;
- Government's Decision no. 99 from 30.01.2018 for the approval of waste list // Official Monitor 33-39 from 02.02.2018
- Government's Decision no. 501 from 29.05.2018 on the for the approval of the Instruction on the keeping of records and the transmission of data and information on waste and its management // Official Monitor no. 176-180 from 01.06.2018;
- Government's Decision no. 586 from 31.07.2020 for the approval of the Regulation on the management of batteries and accumulators and waste batteries and accumulators // Official Monitor no. 221-225 from 28.08.2020

### C. Regulatory Acts

- Normative document CP A.09.04-2014 "Construction and demolition waste management" approved by order no. 107 from 28.07.2014 of the Ministry of Regional Development and Construction // Official Monitor no. 249-255 from 22.08.2014

### Annex 3. Normative documents regulating the operational activity of the operators in WSS that have to be developed and approved

- Timeframes for technical maintenance and repairs of water supply and sewerage systems:
  - Part I. Water supply and sewerage systems and installations;
  - Part II. Electrical power supply networks, electrical equipment, measurement and control devices, tools for automation and auxiliary works
- These timeframes shall be used to regulate the work of employees, determine the workmanship involved for specific tasks, calculate the norms of staff and establish standardized procedures, prepare calculations and estimate the planned maintenance and repairs of the equipment.
- Timeframes for the liquidation of damages in utilities and equipment – they will establish norms of interventions in case of failures.
- Normative for the use of materials for the maintenance and repairs of water supply and wastewater systems – the norms shall be recommended for planning the materials, for the calculation of materials, for the organization of tenders and for signing contracts with companies supplying materials.
- Recommended timeframes, norms for the maintenance and rehabilitation of non-centralized water supply sources (wells, water basins) – the norms shall regulate the activities of workers, determine the complexity of performed works, plan the number of staff and establish the standard to be applied for the rehabilitation of water sources.
- Instructions for the creation of stocks of spare parts, materials and equipment for the replacement of damaged equipment and restoration of the supply and water and the sewerage systems – the instructions establish the way of configuration, use and maintenance of the inventories of materials and equipment for the performance of urgent works of rehabilitation and increase of efficiency in the operation of water supply and sewerage systems.
- Norms for spare parts, materials and equipment for repair work at water supply and sewerage companies;
- Rules on labor safety in the operation of the water supply and sewerage systems in the Republic of Moldova – the rules should establish basic labor safety requirements for the employees involved in the operation of the water supply and sewerage systems, and are common to all the organizations with various forms of property and legal-organizational form;
- Norms on the number of employees for the water supply and sewerage companies – the norms shall be used to establish the standard tasks and also to plan the necessary number of employees in the water supply and sewerage companies.