Swedish Association of Local Authorities and Regions

SALAR International
A part of the Swedish Association of Local Authorities and Regions

Memorandum of Understanding

This Memorandum of Understanding (hereinafter referred to as MoU) regulates the cooperation conditions and relations between the State Chancellery of the Republic of Moldova (hereinafter referred to as the "State Chancellery"), the Swedish Association of Local Authorities and Regions (SALAR) and SALAR International in relation to the project "Local Public Administration, Citizen Engagement (PACE Local)" April 2025 – February 2029 (hereinafter referred to as the Project). The State Chancellery, SALAR and SALAR International are hereinafter collectively referred to as the "Parties".

1. Background, Purpose & Approach

The purpose of this MoU is to outline the arrangements under which the Parties will cooperate in the implementation of the Project.

The Project will have the overall objective to strengthen local public authorities within an enhanced framework for local governance improve service provision to citizens in line with the strategic orientation of the Republic of Moldova in the process of accession to the European Union.

Central features in the implementation of the Project are flexibility and responsiveness to the needs and priorities established by the Government of the Republic of Moldova in the reform process. The fields of cooperation and key directions of the Project are pre-defined and mutually acknowledged by the Parties of the MoU, while the actual features and detailed activities are to be further reviewed and defined as the reform process and Project unfolds.

Besides, it is envisaged to establish a Working Group composed of representatives of all Parties of the MoU (namely the State Chancellery and the Project team), who will on a regular basis discuss the progress and the challenges in the Project implementation process.

This MoU constitutes a technical assistance project provided by the Swedish International Development Cooperation Agency (Sida) for SALAR International and does not impose financial obligations or costs on the part of the State Chancellery.

2. Main Fields of Cooperation

The Parties are expected to co-operate in the following main fields of cooperation that have been highlighted as prioritized for the decentralisation process: (1) policy dialogue at national and local levels on both administrative and fiscal aspects of decentralisation and local self-governance and (2) an evidence-based driven test bed for decentralisation through support to both the central government and a critical number of pilot Local Public Administrations, aimed at enhancing the capacities of all parties and creating enabling conditions for decentralisation processes. These are all together policy areas that are highlighted in the Public Administration Reform Strategy of the Republic of Moldova for the years 2023-2030, approved through the Government Decision No.

126/2023, the Implementation Program for the years 2023-2026 of the Public Administration Reform Strategy, approved through the Government Decision No. 352/2023 and the Roadmap on the Public Administration Reform, approved through the Government Decision No. 274/2025. Other fields of cooperation may also be requested by the GoM as the Project and reform process unfolds.

3. Project Implementation

3.1. The Project includes an inception phase during June 2024 – February 2025. The purpose of this phase is to set the basis for longer-term support with focus on reform process. It will be utilised to:

1) establish Project management instruments and modalities;

2) share relevant Swedish/international experiences and expertise to the State Chancellery and other key stakeholders through study visits and other exchanges;

3) analyse the current situation and needs for future support for Moldova's implementation of public administration and local self-governance reform;

3.2. Overall, the Project is envisaged to be implemented within April 2025 – February 2029. During this period the Project will support the implementation of the public administration reform and create preconditions for the further long-term impact by contributing to improved governance and service delivery. Core inputs to the Project will be provided in the forms of technical and institutional assistance, partnerships and exchanges, training, other capacity building and exposure to best practices, study tours, peer review, etc.

4. Roles & Responsibilities (Implementation mechanism)

The Parties in this MoU have a responsibility to work closely together to achieve a high degree of cooperation and success during the implementation of the Project. The results of the Project are a shared responsibility. This means that all Parties will make active efforts to encourage transformation, support initiatives and allow reflection, as being important parts of a process of change.

4.1. SALAR has overall responsibility for the Project in accordance with the agreement with Sida. As SALAR has commissioned SALAR International to implement the Project, planning and implementation of the Project activities will primarily be the outcome of a dialogue between by SALAR International and the State Chancellery.

4.2. The State Chancellery will be the key counterpart (beneficiary) to SALAR International in the Project with regard to the public administration reform and strengthen the capacity of the country's local self-government in line with the reforms and strategies adopted by the Government of Moldova. The State Chancellery is the party through which relevant Project activities are primarily channelled. As such, the State Chancellery recognises that it plays a key role to ensure successful implementation of the Project activities. The State Chancellery will ensure that all necessary stakeholders in Moldova are adequately involved in the Project to ensure successful results and outcome, in addition to ensuring that all required information and documentation is made available for Project activities.

4.3. In the implementation phase of the Project, the Parties will be guided by the Results Framework (annexed) and concluded specific arrangements as may be necessary and appropriate.

4.4. Parties should actively search for possibilities for interaction and synergies with other activities and projects supporting public administration reform in the Republic of Moldova. The Parties should also actively try to identify opportunities for joint cooperation with other key stakeholders in Moldova and other representatives of the municipal sector in countries others than the Republic of Moldova and Sweden.

4.5 The Managing Director of SALAR International and the Deputy Secretary General of the Government of Moldova, in compliance with his/her functions, will be the focal persons for the implementation of this MoU.

5. Structure

5.1. In the implementation phase of the Project, SALAR International will establish a Moldovan-Swedish Project Team consisting of a Project Manager in Sweden and a Team Leader, Local Senior Technical Expert, Local Project Coordinator and Local Communication Expert. Further, the Project Team has access to a network of international, Swedish and Moldovan expertise that can be mobilized when relevant.

5.2. The Project Team will be main responsible for the implementation of the Project and will engage in dialogue with the State Chancellery to match inputs and activities to Moldova's reform path as it unfolds. In cooperation with the State Chancellery and other key stakeholders, the Project Team will also follow-up on conclusions from the Project activities and identify how they can be tied to the reform process.

As envisaged by the MoU, the Project Team, jointly with the State Chancellery will conduct regular (semi-annual) Working Group Meetings to steer and monitor the Project implementation, and to discuss the overall progress and the challenges.

6. Consultation, Exchange of Information & Representation

6.1. The Parties shall keep each other informed and share all key information on main developments and in the key cooperation areas regarded by this MoU, and whenever necessary, on an ad-hoc basis consult each other on matters of mutual interest, which are likely to lead to greater collaboration, including on new initiatives and development cooperation policies and strategies related to public administration reform in the Republic of Moldova. The Parties shall also strive to cooperate and consult with other key stakeholders in the Republic of Moldova when deemed necessary and relevant.

6.2. The Parties shall exchange relevant information and data on matters of common interest and collaborate in the collection, analysis and dissemination of such information and data.

6.3. In the framework of this MoU, as it has been mentioned already above, the Parties shall have regular meetings of the joint Working group to review the activities being carried out under this MoU and to plan future activities. Major issues of importance for the success of Project implementation will be discussed between the Team Leader and the State Chancellery.

6.4. The Parties may invite each other to send participants, speakers or observers to meetings or conferences convened by them or under their auspices, and which may be of interest to either party.

7. Working Policy and Ethics

7.1. The Project activities will be carried out according to the principles of democracy, transparency, mutual collaboration and partnership between the parties, as well as with external

partners related to the Project. The Parties shall also strive to pay attention to the issues of environmental sustainability and gender equality, these being cross-cutting activities.

7.2. Parties shall strive also to adhere to principles of gender equality, implying that attention is paid to balanced representation of men and women in the Project activities, representational bodies, working groups, etc. For proposed measures and actions, special attention shall be paid to how they affect men and women, boys and girls, disabled people and other ethnic or vulnerable groups with special needs respectively.

7.3. The Parties agree to set an example of transparency during the implementation of the Project, including keeping working material and communication available for public scrutiny and sharing documents with interested parties, except of those administrative or policy documents or information, dissemination of which is restricted by law.

8. Period of Agreement, Amendments & Termination

8.1. This MoU will become effective on the date of signature by the last party and will stay in effect for as long as the agreement between Sida and SALAR is valid until end of the Project - February 2029.

8.2. The Parties to this MoU may amend the provisions herein or enter into supplementary agreements (as an Annex to this MoU) by a mutual agreement between the parties through a simple exchange of letters.

8.3. Should conditions arise beyond the control of a Party to proceed with or fulfil its obligations as stated in this MoU (including a discontinuation of the Project by Sida), such Party will immediately notify, in writing, the other Parties of the conditions and the foreseeable consequences. The Parties shall mutually agree on actions to be taken within a period of not more than 30 days on receipt of the notification.

This Memorandum has been signed in duplicate in English and Romanian, both copies being authentic and having equal legal effect.

For the State Chancellery of the Republic of Moldova

05.09.2025

Mr. Andrei Strah
Deputy Secretary General of the Government of Moldova

For the Swedish Association of Local Authorities and Regions (SALAR)

10.09.2025

Mr. Anders Ilenriksson
President of SALAR

For SALAR International

05.09.2025

Mr. Ryan Knox
Managing Director

Annex

Draft Results Framework

Impact	Assumptions & External Factors	Indicators	Means of Verification	Baseline	Target
Overall project objective (impact level): Strengthening local public authorities (LPAs) within an improved local governance framework, to improve service delivery to citizens, in line with the country's strategic orientation towards EU accession.	Local PAR proceeds as planned in 2025/2026. Parliamentary elections in 2025 do not significantly change the reform course. Economic situation and political stability conducive to discussions on local PAR priorities, resources, etc. EU negotiation process proceeds as planned.	**Indicator i.** Verifiable changes in higher level government actions, laws, regulations. **Indicator ii.** Progress against PAR indicators (Chapter V) OR a measure of citizens satisfaction (LPA level). **Indicator iii.** Number of partner LPA clusters providing joint services. **Indicator iv.** Number of investments, projects, etc. accessed by LPA clusters.	• Context monitoring • Stories of change • Project documentation (M&E) • Mid-term review and Project Evaluation reports • Government reports and documents • EU annual country reports	Indicator i: *to be determined* (TBD) Indicator ii. TBD Indicator iii. TBD Indicator iv. TBD	**Indicator i:** - Policy initiatives resulting in improved legal, financial and economic positions of LPAs - Policy changes provide LPAs with more leverage and control over the use of resources **Indicator ii.** - TBD – PAR indicators to be selected **Indicator iii.** - XXX (dependent on budget for Component 2) **Indicator iv.** - TBD

Outcome 1	Assumptions & External Factors	Indicators	Means of Verification	Baseline	Targets
Improved central coordination of local governance in relation to distribution of functions, local PAR, service delivery, and inter-ministerial coordination.	Key ministries develop relationships with State Chancellery (SC), contribute to central coordination of local PAR and recognise need to improve inter-ministerial coordination. Changes in government appointments do not affect interministerial coordination. SC act as owners and drivers of interministerial coordination and local PAR. Parliamentary elections do not disturb efforts to improve central coordination.	**Indicator 1.2.** Distribution of LPA functions streamlined for more efficiency. **Indicator 1.3.** Inter-ministerial coordination formally defined and functional.	• Context monitoring • Stories of change • Project documentation (M&E) • Mid-term review and Project Evaluation reports • Government reports and documents • EU annual country reports	TBD	Indicator 1.2. A vision of re-distribution of functions shared an supported by the key ministries at central level Indicator 1.3. Inter-ministerial coordination provides policy direction in implementation of local PAR

	International donors work jointly to improve coordination and regularly share information.				
Bridging outcomes	**Assumptions & External Factors**	**Indicators**	**Means of Verification**	**Baseline**	
Bridging outcome 1.1: Central coordination of local PAR designed with key state institutions responsible for local governance.	SC prioritises and supports the work on designing the central coordination. Changes in government do not affect activities or change priorities. Government supports the proposals to design central coordination.	**Indicator 1.1.1.** Design of central coordination of local PAR agreed among key state institutions. **Indicator 1.1.2.** Number of policy outputs resulting from improved central coordination.	• Context monitoring • Stories of change • Government reports and documents • Project reports and written outputs	Clear scope for improved coordination observed in inception phase. To be further clarified with review of coordination as part of initial activities.	**Indicator 1.1.1.** Central coordination of local PAR formally proposed to the government **Indicator 1.1.2.** SC takes on board and follows policy recommendations on central coordination
Bridging outcome 1.2: Clarifying division of functions between tier 1	SC prioritises and supports the work on designing division on competences	**Indicator 1.2.1.** Evidence-based report on divisions of functions informs	• Context monitoring • Government reports and documents • Project reports and written outputs	Known issues with lack of clarity / overlap on functions, necessary powers to fulfil functions, etc. To clarify with	**Indicator 1.2.1.** Policy-makers formally discuss recommendatic from the report on divisions of functions **Indicator 1.2.2.** Government policies benefit from experiences from EU members states

LPAs, tier 2 regional authorities and state reviewed in the light of local PAR, drawing on principles of decentralisation from selected EU member states.	and provides clear policy direction. Changes in government do not affect activities or change priorities. Buy-in from leadership and internal stakeholders for proposals to re-design division of competences. Donor projects work hand-in-hand to support the SC in this activity.	discussion among policy-makers. **Indicator 1.2.2.** Policy-makers take on-board experiences from EU members states. **Indicator 1.2.** Donor projects jointly work to support the government in defining division of competences.		further work in inception phase.	**Indicator 1.2.3.** Donor projects support a formal proposal on division of competences
Bridging outcome 1.3: Additional modules for digitalisation of local registers enabled in line with the priorities of local representatives.	Leadership changes at e-GA do not affect activities or change priorities. Possible to engage IT contractor(s) to mutual satisfaction of	**Indicator 1.3.1.** Relevant authorities agree to add an electronic household register module. **Indicator 1.3.2.** Citizens and LPAs have access to the electronic module of	• Documents and policies from e-GA • Statistics from e-GA on uptake of the module	Household registers exist only in analogue form. Data added manually, prone to delays and inaccuracies.	**Indicator 1.3.1.** Electronic household register module fully integrated into the e-Gov platform **Indicator 1.3.2.** Information on households from partner LPAs registered and updated in real time

	e-GA and project.	household register.			
Outputs					
Outputs for BO 1.1		**Outputs for BO 1.2**		**Outputs for BO 1.3**	
• Strengthened capacities for central coordination to assist LPAs with their development vision, service delivery, and citizen participation • Improved inter-ministerial coordination in implementation of local PAR • Support for improved joint provision of public services (Component 2)		• Review of vertical distribution of functions/responsibilities between tier 1 LPAs, tier 2 regional authorities and state, drawing on principles of decentralisation from selected EU member states • Policy recommendations developed with key state actors on the division of competencies, improvements and optimisation of service delivery at the local level • Analytical support to improve LPAs' human and financial capacity in relation to assigned functions in cooperation with other donors		• Review of local priorities for digital service offering and design/identificatio of the required solution • Modules added to the e-APL platform enabling additional local services • Support to mayoralties and citizens to use this function/module and/or support the E-government Agency to improve their methodological support for specialists (Component 2) • Introduce sustainable procedures and tools that ensure continuity and preservation of knowledge, skills, and best practices in LPAs, fostering institutional memory regardless of personnel changes.	
Outcome 2	**Assumptions & External Factors**	**Indicators**	**Means of Verification**	**Baseline**	**Target**
Outcome 2: Selected clusters of LPAs improve joint provision of public services in line with strategic priorities defined together with citizens.	Partner LPAs able to mobilise human/technical capacities and resources for quality services. LPA staff have capacity to apply knowledge, skills, tools in their work so that concrete	**Indicator 2.1.** Select number of LPAs agree to work in clusters and agree on the services that will be provided jointly. Indicator **2.2.** Rate of satisfaction by LPA citizens on the LPA performance in	• LPA decisions • MoUs with LPAs on joint services and project support • Citizen surveys in LPAs • Project documents and field reports	TBD	**Indicator 2.1.** XXX LPAs agree to work in clusters **and** LPAs in X clusters provide joint services **Indicator 2.2. %** compared to baseline

	benefits can materialise	delivering services.			
Bridging outcomes		**Indicators**	**Means of Verification**	**Baseline**	**Target**
Bridging outcome 2.1: Improved service delivery in clusters of LPAs, including through sharing of experience from EU member states or other candidate countries.	LPAs' readiness and capacity to engage actively with other cluster members, and in design of joint services.	**Indicator 2.1.1** Joint services designed participatively and the key building blocks are agreed among participating LPAs (dimensions to look at: ratio of participation in meetings; gender balance in participation; participation from small and underdeveloped LPAs; existence and follow-up of workplans for joint services, number of initiatives and proposals discussed, including those that address gender-based discrimination in access to basic	• Project field reports and M&E documentation (to include data from the indicator)	TBD	**Indicator 2.1.1** Joint services provided

		services, resources, assets, or employment).			
Bridging outcome 2.2: Local services improved through small investments and/or enablers of larger investments in the form of technical documentation, feasibility studies, project preparation, etc.	LPAs' readiness and capacity to engage actively with other cluster members to design and access small investments benefiting all LPAs in a cluster.	**Indicator 2.2.1.** Cluster LPAs define investment priorities in a participative manner, with HRBA principles applied. **Indicator 2.2.2.** Number of project proposals, strategic plans, feasibility studies, etc. by cluster LPAs with a view to enabling larger investments to improve local services.	• Project field reports and M&E documentation (to include data from the indicator) • LPA documentation • Technical documentation	TBD	**Indicator 2.2.1.** Investments accessed through applications developed in a participative manner, with HRBA principles included. **Indicator 2.2.2.** XXX larger investments to improve local servic facilitated
Bridging outcome 2.3: Partner municipalities improve citizens' access to quality digital and administrative services, both central and local, including through physical	LPAs' readiness and capacity to engage actively to introduce digital services.	**Indicator 2.3.1.** Number of new/improved physical services centres (CUPS). **Indicator 2.3.2.** Number of LPAs improving quality digital and administrative services (including e-APL)	• Project field reports and M&E documentation (to include data from the indicator) • LPA documentation • Technical documentation • e-GA and/or e-APL analytics	TBD	**Indicator 2.3.1.** Number of new/improved physical services centres **Indicator 2.3.2.** Number of LPAs improving quality digital and administrative services **Indicator 2.3.3.** Citizens' uptake of digital services (as per analytics)

service centres and piloting/roll-out of local digital services.		**Indicator 2.3.3.** Citizens' uptake of digital services (through analytics).			

Outputs		
Outputs for BO 2.1	**Outputs for BO 2.2**	**Outputs for BO 2.3**
• Definition of tailored municipal support packages to selectec LPAs according to size/type and priorities for physical and digital services identified in consultation with citizens • Support the setting up of joint working groups with representatives from selected municipalities • Capacity building of local civil servants, including where relevant through exchange with EU member states or other candidate countries in areas relevant for effective service delivery at LPA level • Facilitate peer learning and exposure to EU member state experiences at the local level • Experience from municipal support packages disseminated for the benefit of other LPAs and used for evidence-based input into policy discussions.	• Small investments in infrastructure, equipment, service platforms, etc. where identified as a priority for the cluster • Technical documentation, feasibility studies, plans, etc. for investments in improved public services where identified as a priority for enabling access to government and international funds • Project proposals developed enabling access	• Additional Unified Public Service Centres (CUPS), or development of existing CUPS to offer additional services and/or coverage, in line with priorities identified • Additional (physical or mobile) service centres to provide local services in proximity to citizens, in line with priorities identified • Piloting, testing and roll-out of digital local service provision (e-APL)

		to EU and other international funding				
Outcome 3	**Assumptions & External Factors**	**Indicators**	**Means of Verification**	**Baseline**		**Target**
Outcome 3: LPA engagement in the EU accession process strengthened and local access to EU funds facilitated.	Central level institutions and bodies take into account LPA policy positions as regards the legal and institutional setting, including access to EU funding. Government continues to be open to invite LPAs into policy dialogue/policy development processes. CALM able to mobilise technical expertise and advocate constructively for LG positions.	**Indicator 3.1.** Local access to EU funds increasing. **Indicator 3.2.** Number of LG advocacy initiatives discussed in higher-level government policy in the EU accession process, and examples when positions are being included/not included.	• Stories of Change • Government documents and policies • Advocacy evaluations • Proposals etc. to working groups • Mid-term review and programme Evaluation reports	CALM well-positioned in terms of advocacy. Further mapping of current LPA participation in EU-funded projects required.		**Indicator 3.1.** Realistic targets TBD along with initial mapping **Indicator 3.2.** XXX number of LG advocacy initiatives discussed in the EU negotiations WGs, and XXX number of positions included/not included

Bridging outcomes		Indicators	Means of Verification	Baseline	Target
Bridging outcome 3.1: Strengthened dialogue between central government and LPAs on the implications of EU accession for local government.	Moldova's EU path proceeds without major disruptions. The government, CALM and mayors maintain the motivation to continue the dialogue within the current structures. There is greater awareness about the need to engage LPAs in different aspects of EU accession.	**Indicator 3.1.1.** Number of LPAs benefiting from information sessions and EU-related training. **Indicator 3.1.2.** Level and type of engagement of LPAs in advocacy work on local government engagement in EU accession, e.g.instances of representation in higher level working groups or other direct involvement in advocacy process. **Indicator 3.1.3.** Number of policy recommendations developed by LPA networks and submitted to relevant national or EU stakeholders.	• M&E documentation of activities • CALM reports • EU network reports and meeting minutes • Training statistics • Context monitoring	TBD	**Indicator 3.1.1. M**ajority of LPAs **Indicator 3.1.2** 10 documented instances of representation in higher leve working groups or other direct advocacy **Indicator 3.1.3** 10 policy recommendations developed by the LPA netwo and submitted to relevant national or EU stakeholders
Bridging outcome 3.2:	CALM supports project initiatives to	**Indicator 3.2.1.** Number of LPAs benefiting from	• Process documentation	TBD	**Indicator 3.2.3.** Majority of LPAs

LPAs' capacities to access EU funds improved.	build LPA capacities to access EU funding. Potential partners from other countries are interested in cross-border cooperation. LPAs have human and financial resources to apply for and implement EU projects.	information sessions and training on access to EU funds. **Indicator 3.2.2.** Number of project proposals developed with project support and submitted for EU funding. **Indicator 3.2.3.** Evidence of collaborative projects or initiatives between LPAs within the network and/or with international partners, focusing on EU accession themes (e.g. joint meetings, workshops, exchange of information, identification of joint issues to be addressed, applications and project proposals).	• Tracked member feedback in or post-network meetings • Official notes from meetings/work groups • Project proposals • CALM documentation and records of meetings and applications		**Indicator 3.2.2.** e.g. 10 project proposals developed with project support and submitted for EU funding **Indicator 3.2.3.** Vibrant EU network of LPAs managed by CALM in a collaborative way and resulting in joint projects or initiatives
Outputs					

Outputs for BO 3.1	Outputs for BO 3.2
• Information and awareness-raising on local role, responsibilities, benefits and strategic focus relating to EU accession, including dialogue with citizens • Strengthened dialogue between local representatives and central government on alignment of legislation, preparation for negotiations, development of regional policy and other instances • Impact assessments on selected areas of the EU acquis where LPAs have significant responsibility for compliance and implementation. • Capacity-building activities such as development of networks of EU officers in LPAs, further training on aspects of the EU acquis, and peer-to-peer exchange with EU networks in member states and other candidate countries. • Dissemination of lessons learned through CALM publications, content for the e-learning platform, conferences, seminars, etc.	• Information and awareness-raising on available EU-funded programmes and projects • Strengthened dialogue between local representatives, central government and the EU on scope for local involvement in programming and monitoring of EU-funded projects • 'Matchmaking' support to find partners for EU territorial cooperation projects and exchange of good practice with LPAs in other candidate countries. • Further capacity-building activities including training on available funding mechanisms, application procedures and aspects of project management • Dissemination of lessons learned through CALM publications, content for the e-learning platform, conferences, seminars, etc.