



Minutes of M4EG Steering Committee Meeting #2

Cimislia City Administration

14 Ștefan cel Mare street, Conference room, Cimislia, Moldova

27 June 2018

The SCM was opened by the Deputy Mayor of the host municipality, **Mr. Florin Berejan** welcoming the participants in Cimislia, and giving a brief overview of Cimislia municipality participation in the M4EG Initiative, as well as stressing the value of such programs for promoting development of smaller territorial units and their residents.

Mr. Alexandru Osadci (Congress of Local Authorities from Moldova), supported the previous speaker noting that the programs supporting local economic growth are of extreme importance to their final beneficiaries – the population. They are targeting exactly what they need to target. He expressed hope that the EU will be channeling more resources towards the programs helping bring investment to smaller localities.

Mr. Felipe De La Mota (European Commission, DG NEAR), acting as Chairman, reaffirmed EU commitment to support Eastern Partnership countries in their local economic development efforts. In this regard, he referred to the 5th Eastern Partnership Summit Declaration and the 20 Deliverables by 2020, which identify economic development as a key priority (together with good governance, connectivity, and people to people contacts) and underline the role of local and regional authorities as active actors for economic development and job creation at the local level. He also mentioned some thematic events, such as the EU4Business Panel held on 19 June 2018 in Brussels, where M4EG best practices were presented and stressed that sharing the actual results of Local Economic Development Plans' implementation is of utmost importance for the EU.

The Meeting continued with a short tour de table with the participants introducing themselves, and then the presentation of the results achieved for the past 12 months followed.

They were structured in two main parts – the overview of general results presented by **Mr. Peter Korsby** and **Ms. Julia Dzingailo** (M4EG Secretariat), and the short contextualized presentations from the M4EG country coordinators – Mr. Sevak Hovannysian, Mr. Zviad Archuadze, Ms. Natalia Efremenko, Mr. Lilian Danilov, and Mr. Olexander Tsepko (see the PPT attached hereto). The country coordinators also shared their projections on the LED Plans they expect to be submitted by 30 September from their countries (128 in total).

They also called for more cooperation and synergy with the sister project Covenant of Mayors East (in Moldova), and additional trainings for the newly joining Signatories in Georgia and Ukraine.

Some comments followed from the participants, namely;

- **Mr. Emin Yeritsyan** (Union of Communities of Armenia) informed about the upcoming CORLEAP conference in Yerevan (9 November 2018). He also mentioned that he will be working on a CORLEAP report on economic activities of local administrations and encouraged interested parties to contribute.
- **Mr. Maksym Vereshchak** (Covenant of Mayors EAST, Support to Demonstration Projects) remarked that LEDPs and their implementation should consider energy-efficiency issues whenever refurbishment of old/ building of new infrastructure is foreseen. This comment was supported by DG NEAR.
- **Mr. Vitaly Kniazev** (Ministry of Foreign Affairs, Belarus) explained that M4EG Secretariat project registration in Belarus is difficult because, in accordance with the national law, budget allocation for Belarus needs to be declared for the project to be officially registered – but country budget specification is often not available for EaP regional projects, which is where the difficulty lies. However, BY Pioneer Projects are in the process of being registered.

The next session of the Steering Committee meeting devoted to the M4EG Pioneer Projects was opened by **Ms. Viola Calabrese**, who gave the participants some background information on the related Call for Proposals, its goals and objectives, as well as the selection process and its outcomes. She also presented the thematic coverage and geographic distribution of the Projects selected.

Mr. Kilroy observed that it would be important to screen the Pioneer Projects in relation to their potential social and environmental impacts. This comment was supported by DG NEAR and the country coordinators where requested to follow up.

The three Pioneer Projects from Moldova were briefly presented by the representatives of respective municipalities – **Mr. Vadim Ceban (Gagauzia)**, **Ms. Natalia Raileanu (Cimislia)**, **Ms. Maria Nicolaev (Edinet)**.

The next session addressed future plans of the Project for the next 12 months (presented by **Peter Korsby**, PPT attached), and more specifically the short-term priorities, such as LED Plans finalization, submission, and evaluation by the World Bank.

The evaluation criteria were presented to the participants by **Mr. Austin Kilroy** (World Bank). He also underlined the role of the World Bank in the evaluation process as a technical advisor only, providing technical evaluation based on qualitative criteria as well as some recommendations for LEDP improvement. It was confirmed by DG NEAR that the final decision to endorse or reject the Plans will come from DG NEAR based on the technical evaluation performed by the World Bank.

Some questions and observations followed. Such as that some supporting information (for example, minutes of the consultative meetings and lists of participants of the meetings), will

come as an annex to the main body of the Plan, and annexes to the Plan are not getting translated. Questions were raised on how in this case the World Bank can verify the participatory nature of the planning process. It was concluded that the pre-evaluation check of the Plans, conducted by the country coordinators, will have a verification function as well, making sure the statements in the main body of the text are properly supported by the information in the annexes. The World Bank will only be looking at the body of the Plan.

There was consensus about the necessity to finalize the evaluation criteria and communicate them to the Signatories in the shortest possible time.

Ms. Antonella Valmorbida (ALDA) gave a short presentation on ALDA – the European Association for Local Democracy, created by the Council of Europe in 1999. The organization was an active stakeholder when the M4EG Initiative was being conceived. Ms. Valmorbida presented the structure of the organization, as well as its scope and geographic distribution. She pointed out that the M4EG Initiative is moving in the right direction, and so far has been showing impressive dynamics and results. **Mr. Nicolae Hirstov**, who represents ALDA in Moldova, added that good governance is a pre-condition of economic growth and development at the local level.

Mr. De La Mota summarized the key issues emerged and the follow up needed:

- DG NEAR and WB to further discuss how to prepare and deal with the evaluation of the 128 LED Plans expected;
- WB to finalize the evaluation criteria document is to be finalized and Secretariat to distribute it among the Signatories ASAP;
- Resources allocation issue to be additionally considered by DG NEAR and the Secretariat and expectation management to be performed accordingly;
- Next Technical meeting for the Project to be possibly held back-to-back with the Regional Networking Conference in November 2018 in Kyiv.
- Next SCM to focus on the M4EG best practices and success stories.

He then opened the floor for a final feedback from the participants:

- **Mr. Osadci** suggested that scaling up of the M4EG Initiative should be considered not only through DG NEAR funds, but also through bi-lateral calls by the EU Delegations. Another point was made that maybe the size of the grants could be decreased, thus increasing the coverage. He observed that the LED Plans should not be excessively complicated, but be simple, focused, and foresee some fund-raising activities. Finally, Mr. Osadci asked if any new calls for proposals can be expected in the future.
- **Mr. De La Mota** replied that DG NEAR sees the value in the regional approach when implementing the calls, as it ensures more competition and, as a result, quality. He also warned of the danger of the so-called “Death by Success” – all the targets set by the EC for local economic development in the EaP region by 2020 have been by far overshoot already. He affirmed that the EC will consider further supporting M4EG signatories and grantees possibly through a new round of Call for Proposals and a follow-up of the Secretariat project. This will be discussed internally by DG NEAR. He also stressed that EU

support is not forever and is only meant as a catalyst of local change. Finally, the importance of showing results cannot be stressed enough.

- **Mr. David Kalatozishvili** (Ministry of Regional Development and Infrastructure, Georgia) expressed high appreciation of the support the EU has been providing to Georgia and stressed the importance of the M4EG Initiative and similar projects, as they give access to the best European practices and promote competition between the municipalities. The real impact cannot become tangible within just several years, but best practices are really in demand. He informed about the work of the Georgian government on the decentralization strategy, for which M4EG provides really good experience and examples. The support of the M4EG country coordinator has also been extremely valuable.
- **Mr. Karen Bakoyan** (Ministry of Territorial Administration and Development, Armenia) remarked that in Armenia the project has been very successful and is already bringing results. The position of Local Economic Development Officer, recommended by M4EG, has been institutionalized in the country. The staff of all the regional authorities (Marzes) received an additional training on Local Economic Development Planning. The decentralization reform is under way, which is likely to activate local authorities. Extending the M4EG and/or creating similar initiatives would be very good and useful for the country.
- **Mr. Vereshchak** informed the participants that CoM East has developed a new concept on city greening activities that the M4EG is welcome to use. As a lesson learnt from the CoM East demonstration projects – local authorities have a fairly low financial capacity to provide matching funds to the grant funding.

The Steering Committee meeting was thus closed by **Mr. De La Mota**, and followed by a visit by all the participants to the Cimislia Pioneer Project implementation site (business incubator), including a brief presentation of the Project activities and meeting with its stakeholders and beneficiaries.