

DRAFT

Annex to Operational Manual

SOCIAL INVESTMENT FUND REPUBLIC OF MOLDOVA

OPERATIONAL MANUAL

for implementation of the pilot Project

**“Community Driven Development”
(CDD)**

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INTRODUCTION

1. MSIF Project Background

The Government of the Republic of Moldova, according to its decision of May 19 1997, decided to establish *Moldova Social Investment Fund* (MSIF) as a public autonomous organization. The National Board supervises the MSIF activities, which are implemented by the Executive Office of MSIF.

The two project development objectives are to:

- (i) help empower poor rural communities by strengthening their capacities to make decisions, organize, and manage; and
- (ii) improve the quality of basic social and economic services for poor rural population

The detailed hierarchy of objectives and the monitoring indicators can be found in the attached Project Logical Framework. The expectation is that the inputs, activities and outputs under the following components had contributed to achievements of desired outcomes for above mentioned objectives:

- ***Component 1 – Improved Delivery of Basic Services (Micro-projects)***. The main beneficiaries and target population under this component are the poor rural communities with the most urgent needs for the rehabilitation of social and economic infrastructure.
- ***Component 2 – Strengthened Children’s Social Development and De-institutionalization***. The main beneficiaries and target population in this component are the children at risk of being institutionalized due to the disabilities, absence of parental care and behavioral problems. This component also provides capacity building for care providers and services managers.
- ***Component 3 – Capacity Building for Community and Local Government*** . The main beneficiaries and target population under this components are implementing agencies representing poor communities, their leadership, community-based organizations (CBOs) and representatives on local public administration.

The MSIF project started in November 1997 with a pilot phase which gradually moved into the main phase financed with the World Bank IDA credit in 1999. The project managed to attract considerable co-financing from SIDA, DFID, Japan, Soros Foundation and other donors. The total cost of the Project is US\$24.3 million, out of which US\$ 15 million is IDA credit. The project closing date is November 30, 2004. 5

As of January 1, 2003 MSIF had a portfolio containing 867 microproject proposals, out of which 315 micro-projects are completed and about 80 micro-projects are under implementation.

In order to develop community capacities MSIF collaborates with villages on partnership basis. MSIF’s role is to provide financial support of 85% of the micro-project proposal cost, facilitate and monitor the community groups willing to implement micro-projects. Communities are responsible to prepare micro-project proposals, invest 15% of the micro-project proposal cost,

organize tenders to select the contractor and local supervisor, supervise micro-projects' implementation in the community and sign payment documents, ensure sustainability of renovated social infrastructure objects.

2. JSDF CDD Project Background

The ongoing MSIF project is a classic social fund managed by the PMU at the central level. The MSIF being interested in a more active involvement and participation of community members in the process of micro-projects identification and implementation, in the development of community groups procurement and financial management capacities and partnership between different community actors (community organizations, LPA, companies etc.) for sustainable community development, MSIF will pilot a new project titled "Pilot Community Driven Development" (CDD) financed by a grant from Japanese Social Development Fund (JSDF). The objective of the JSDF will be to pilot-test some of the elements of the community-managed projects and produce lessons to inform the design of the second Social Investment Fund project which is in the pipeline and is scheduled to go to the World Bank Board for approval in 2004. Since the CDD approach has never been implemented in Moldova this pilot CDD project will test different community driven methods and document the lessons for the future project design.

In conformity with its concept and objectives, this Project is oriented towards empowering the communities that have obtained financial support from MSIF, by:

- a. building up community organizations' capacity, in particular those of the Community-based Organizations (CBOs)
- b. subprojects' organizational and financial management to be undertaken by CBOs
- c. development of efficient partnership relations between CBOs , Local Public Administration (LPA) and other community actors.

3. JSDF new and innovative community-based social care services.

Ten years of transition of the Republic of Moldova to the market economy have contributed to the increased poverty in Moldova and as result to the appearing of the new vulnerable group of population. These groups include women at risk, abused women, youth at risk, elderly, etc who are currently completely neglected. The MSIF will pilot the new/innovative community - based social services for vulnerable groups, other than children. The communities will identify the target beneficiary groups and projects. The local NGOs will implement the proposed projects. The objective of the JSDF is to contribute to bringing out lessons for the development of government policy in this area and of models of sustainable financing of community-based social services.

The present manual includes the basic principles promoted by MSIF in the implementation of CDD Project and innovative community-based social care services, as well as the procedures of preparation, implementation and ensuring sustainability of the mini grants obtained by community organizations and local NGOs for solving urgent problems of communities.

Part I. General Principles of CDD Project Implementation

1. Project objectives and expected outcomes

The objective of the Pilot CDD Project is to:

- (i) develop new/innovative types of social services in Moldova and use the lessons learned to further inform the Government policy development social care services;
- (ii) empower poor rural communities by strengthening capacities of community-based organizations (CBOs) to make decisions, organize and manage funds; and
- (iii) improve the quality of basic social and economic services for poorest rural communities.

The expected outcomes of the CDD Project

- rehabilitated social infrastructure objects in the rural localities, such as schools, roads, gas and water supply systems
- enhanced access of poor rural groups to improved social services
- alternative social services developed for socially vulnerable groups
- partnership relations established between different community actors at community level in the development and implementation of the strategic plan of social economic development of the village
- improved organizational capacity of rural communities, local public authorities and NGOs in a participative approach to stringent community problems
- increased level of confidence in their own forces, in institutions and authorities, and among community members.

2. Principles promoted by MSIF in CDD Project implementation

In the implementation of the CDD Project MSIF will promote the following principles:

- Targeting resources to satisfy community demands
- Empowerment of communities through the development of decision-making, organizational and financial management capacities of the community organizations created with MSIF support.
- Orientation of poor communities towards sustainable community development by involving the population in the strategic planning process of the village social economic development.

- Development of partnership between different community actors (LPA, businesses, NGOs in the community) by their involvement in the implementation process of the Strategic Plan of social economic development of the village.
- Empowering communities with management of the grants
- Ensuring community participation through requesting of 15 % of community share in investment
- Development of the social capital through the promotion of certain norms and values in the community, such as social solidarity and mutual support, trust, transparency and involvement in the community life.
- Ensuring time-wise sustainability of the implemented grants.
- Competition in financing grants (applications for funding are subject to the selection and evaluation procedures of the Fund)

3. CDD Project beneficiaries

- The population of poor rural communities
- Vulnerable and disadvantaged groups of the population (women at risk, abused women, victims of human trafficking, youth at risk, alone elderly persons etc.)
- Community organizations and NGOs that will be the primary recipients of grants and benefit from training and technical assistance (TA)
- Local and district public administration
- Local supervisors that will be trained in procurement methods and acquire skills of organizational management in the conditions of transition to a market economy
- Construction organizations that will have the opportunity to participate in open tenders and obtain contracts for services and works

4. CDD sub projects typology

In the framework of the Grant Application MSIF will support the following types of subprojects from community action plans:

- **Social infrastructure:**
 - a) rehabilitation of pre-school facilities, primary and general education schools, including hygiene, sewage facilities, cold and/or hot water supply systems, preparation for the cold season (insulation), heating systems,

ventilation, roof repairs, energy saving, rational use of space and provision of some instruments and materials;

- **Social economic infrastructure**

- a) rehabilitation and construction of local drinking water supply systems (community level): supply networks, distribution systems, construction of new artesian wells and pumping stations, rehabilitation of the dried public wells and measures to improve water quality (ex. cleaning wells, installing pumps, etc.);
- b) rehabilitation of roads of local importance, access roads to isolated villages, access roads to agricultural land and farms (including bridges, basins, tubular bridges, dams, etc.);
- c) construction of gas supply systems for poor rural communities.

- **Infrastructure of sanitary and environmental protection systems**

- a) rehabilitation and extension at a local/community level of sewage systems and pumping stations;
- b) disposal and treatment of solid and liquid waste in communities;
- c) improvement of environmental conditions and rehabilitation of degraded villages by planting trees and territory arrangement;
- d) activities to combat soil erosion (planting trees, organizing terraces on slopes, digging drainage channels) in public spaces.

- **Educational programs in the area of education and health care**

- a) introduction of new educational programs for children in preschool facilities and primary schools (ex. Step-by-Step program, including teacher training);
- b) informative/educational programs in the area of health care, environment, including seminars in community on family planning, nutrition, water and sanitary aspects etc.

Part II. CDD Small Grants

Section I. Procedures of CDD Small Grants implementation

Procedures for CDD Small grants are conceptually different from the procedures used by MSIF at present. In the case of CDD Small Grants, the role of MSIF in relation to the beneficiaries changes, MSIF becoming rather a facilitator in technical, social and financial problems of the community, both during the subproject cycle, and at the post-implementation stage. The main emphasis is placed on community development in general through building the social capital, partnership relations between different community actors and development of management capacities in the community organizations created with MSIF support.

Thus, MSIF activities and the ones of the community at different stages of subprojects' cycle are distributed as follows:

1.1.1 MSIF responsibilities

- Promotion of the CDD Small Grants at the national and local level
- Organization of a contest for the communities willing to implement a CDD grant
- Community facilitation in developing a strategic Plan of social economic development of the village for 5 years
- Community facilitation in identifying subprojects included in the Grant Application and preparing the grant Application
- Social, technical and environmental impact evaluation of subprojects included in the Grant Application, at the office and field level
- Training CBOs that will implement the Grant in procurement of the local supervisor and design company
- Participative evaluation with the community of the developed technical designs
- Approval of the grant Application by the EC of MSIF
- Training of CBO, LPA representatives in issues related to procurement of goods, services and consultants, financial management, subprojects implementation monitoring, ensuring project implementation transparency, ensuring renovated objects sustainability, etc.
- Financing in installments (tranches), based on the CBO request, of the Grant
- Monitoring and evaluation of grant implementation
- Monitoring of implementation of the 5 year strategic Plan of social economic development of the village

1.1.2 Community responsibilities

- Organization of focus groups and discussion of community priority problems
- Creation of Community Development Committee
- Development of a Strategic Plan of social economic development of the village for a period of 5 years
- Discussion of the Strategic Plan in focus groups and at the General Meeting of the village and its approval by the Mayoralty Council
- Identification of subprojects included in the Grant Application, at the General Meeting of the village (or Representative Meeting)
- Preparation of the Grant Application and included subprojects' budget
- Preparation of all the necessary documents and confirmations for passing subprojects in the evaluation process
- Development, with MSIF technical assistance, of estimates for the subprojects included in the Grant Application
- Procurement of design company's services and development of technical drawings as part of the village contribution
- Participative evaluation of the developed technical design
- Defending the Grant Application at MSIF EC
- Collection of contribution
- Procurement of design company's services, as well as other goods and services included in the grant Application in conformity with MSIF procedures
- Procurement of local supervisor services
- Permanent management and monitoring of unfolding implementation of subprojects included in the Grant Application
- Effecting the payments for works
- Keeping accounting records in conformity with the Republic of Moldova legislation, donor countries' and World Bank requirements

- Ensuring transparency of Grant implementation
- Organization of preliminary and final Handover of the renovated objects
- Reporting to community about the implementation results of the Grant obtained from MSIF
- Ensuring sustainability of objects renovated with MSIF support
- Implementation of the Strategic Plan of social economic development of the village

Section II. Promotion of CDD Small Grants

Promotion will be done both at the national and regional level.

2.1 Promotion at the national level

2.1.1. At the national level, CDD Small Grants promotion will be carried out through republican mass media and the network of communities that have obtained financial support from MSIF. Means of promotion at the national level are also the round tables, conferences organized by MSIF partners (SOROS Foundation, UNICEF, Ministries of Education, Labor and Social Protection, national NGOs, such as Prodidactica, Step-by-Step, Contact, ADEPT, NGO Alliance providing services in the area of social assistance etc.)

2.2.Promotion at the regional level

2.2.1. At the regional level, promotion will be carried out through organizing promotion seminars in zones, districts or sectors, where there will be invited representatives of district public administration, mayors of communities corresponding to CDD Small Grants criteria, chairpersons of CBO created with MSIF support, local and regional NGOs representatives, regional mass media representatives. MSIF consultants will hold the seminar.

Matters to be discussed at the seminar:

- The concept of CDD Small Grants
- Procedures of preparation and implementation of subprojects included in the Grant Application
- Role of CBO created with MSIF support in CDD subprojects' preparation and implementation
- Development of community partnership between LPA and CBO – an important condition for obtaining financial support
- CDD subprojects – an integral part of the Strategic Plan of social economic development of the village

- Social impact of CDD subprojects on community development
- 2.2.2. After the seminar, the representatives of the regional and local public administration, CBO created with MSIF support, local NGOs will play the role of community facilitators, being involved in the process of information and passing the message to communities. With this purpose, they will organize focus groups of representatives of different socio-demographic groups (women, youth, elderly people etc.), General Meetings, round tables, will develop folders, leaflets, community papers, etc.
 - 2.2.3. A special role in the promotion activity at the regional level is incumbent to the communities' Information and Development Centers created with the support of MSIF and the Contact Center. They will take care of correct transmission of messages to the communities of neighboring villages. The messages will be passed through leaflets, meetings, electronically etc.

Section III. Identification of Grant Applications

The identification of the grant Applications will take place in a few stages:

1. Organization of a preliminary contest for the communities willing to implement a CDD Grant based on the expression of interest and forming a short list of communities.
2. For Communities included in the short list MSIF will submit Request for proposal. These communities will develop a Strategic Plan of social economic development of the village for a 5 year period and will select subprojects to be included in the Grant Application at the General Meeting of the village.
3. Submission to MSIF a Grant Application with full package of documents. Based on these documents, MSIF will identify the communities which will implement grant applications.

3.1. Organization of preliminary contest for communities willing to implement a CDD Grant and forming the short list

- 3.1.1 MSIF will publish an announcement in the republican and regional press regarding the organization of a preliminary contest for the communities willing to implement CDD small grants. In the contest there will be encouraged to participate performing communities that: 1) have implemented at least one project supported by MSIF and 2) are holders of a performance Contract signed with MSIF or are winners of competitions organized by MSIF for performances in community development.
- 3.1.2 The application to participate in the contest can be submitted by the CBO created with MSIF support, in partnership with the local mayoralty.
- 3.1.3 The application for participation in the contest will be made on the basis of a participation form developed by MSIF that will include questions on the following aspects:

- Name of the CBO submitting the Application
- Name of the community
- Name of the micro-projects implemented in the community with MSIF support
- Activities carried out in the community during the last three years, including the ones carried out in partnership with NGO, LPA, businesses etc
- Priority activities for implementation in the next three years
- Degree of population availability to contribute (with money and construction materials) to solving the problems
- Availability of community actors to develop and implement a strategic Plan of the village social economic development etc.

3.1.4 Along with the participation forms, the CBOs intending to participate in the contest will submit the following documents:

- Copy of the Association Statute; number of the Bank Account
- Association's CV (records) with a description of the activities conducted in the community, showing their cost and financial sources;
- Current financial statement
- CVs of Association' Chairperson and Accountant that will be involved in the grant implementation
- Partnership agreement between the Association and Mayoralty regarding the development of the Strategic Plan of the community social and economic development

3.1.5 Local public administration departments of the district Councils will be asked to get involved in the process of information dissemination about the contest and organizing the contests. They will be responsible of the distribution and collection of the contest participation forms in the district communities.

3.1.6 Based on the received expressions of interest, participation forms and submitted documents, the MSIF Evaluation Commission will select the CBOs that will be included in the short list for implementation of some subprojects.

3.1.6.1 **Eligibility criteria:** CBO's possibility to implement community development subprojects in relation to the statutory objectives, collaboration experience with MSIF, experience of organizing community activities, financial management experience, and partnership concluded with the local mayoralty regarding the development of the Strategic Plan of the village social economic development.

3.1.6.2 **Means of evaluation in pre-selection.** Only those CBOs with eligibility score higher than 60 will be included in the Short List out of villages which expressed their interest. The score will be calculated on the basis of the following criteria:

Nr	Criteria	Weight
1	CBO's capacity in (1) development of the Strategic Plan of the village social economic development; (2) implementation of community development subprojects in relation to statutory objectives and (3) the partnership agreement concluded with the local mayoralty regarding the	25
2	Institutional capacity in a) Financial management capacity (accuracy of accounting, activities organized by communities through the Association's accounting – amounts disbursed through the Association); b) Procurement capacity	25
3	Experience and capacity to organize community activities (mobilize community, budget and fund rise)	25
4	Partnership experience (activities carried out in the last year in partnership with other NGOs, LPA, including mayoralty activism, companies, degree of population's availability to contribute)	25

Each of the criteria is evaluated on the scores as a result of studying the bids and the score will represent the average of the scores given by each member of the commission separately.

3.1.7. For each community included in the short list, a Request for Proposal will be submitted with detailed description of participation and Terms of Reference for next step of contest. Terms of reference is attached in Annex 2.

3.2. Development of Strategic Plan for social economic development of the village

3.2.1. For those CBOs included in the short list as a result of first stage of the contest, MSIF will start facilitate the development of the Strategic Plan of village social economic development.

3.2.2. MSIF will organize at the national level the training of selected CBOs and mayors in "Methods of facilitation and involvement of community in the development and implementation of community development strategic plans". The duration of the seminar will be of one day. The issues to be tackled are:

- A. Organization of focus groups and General Meeting of the village as a method of involving community in the process of developing the strategic Plan of the village development
 - B. Setting up the village Development Committee and its role in the development and monitoring of the strategic Plan implementation
 - C. The role of the mayoralty Council in the process of development and implementation of the plan
 - D. Methods of monitoring plan implementation
- 3.2.3. After the seminar, the selected CBOs will organize the community facilitation process in order to involve the community population in the development of the village social economic development Plan.
 - 3.2.4. The CBO will organize at least three focus groups in the community (with the mayoralty councilors, businessmen, community NGOs, elderly people, youth, women etc.), where the following questions will be raised for discussion: the need to develop a village social economic development Plan, priority problems that need to be solved in the community in the next 5 years, the necessity to organize a community Development Committee that will develop a village development Plan and to delegate representatives from the respective groups to that Committee. The discussions held in the focus groups will be reflected in elaborated minutes. At the same time, in order to document the discussion, a List of participants to the discussion will be put together with their signatures.
 - 3.2.5. As a result of representatives being delegated from different focus groups, the village Development Committee will be set up and approved by the local Council decision. That Committee will summon at least two representatives from each of the groups: women, youth, elderly people, businesses, associative sector, mayoralty and the local Council.
 - 3.2.6. The responsibilities of the village Development Committee will be: to develop the strategic Plan of community social economic development; supervise and monitor the fulfillment of the strategic plan; present a semiannual report agreed with the mayor before the local Council on the progress of implementation of the strategic development Plan; present an annual report agreed with the mayoralty before the General Meeting of the community on the fulfillment of the annual plan. The period of village Development Committee's activity coincides with the length of the village strategic development Plan and is not longer than 5 years.
 - 3.2.7. The village Development Committee with the technical assistance of two consultants in community development delegated to the community by MSIF will develop a Strategic Plan of community social economic development. The period of elaboration of the Strategic Plan of community social economic development will be 5 years.
 - 3.2.8. The Strategic Plan of social economic development of the village will be elaborated for a period of at least 5 years and it will include the following strategic directions: economic, social, cultural, ecologic. For each direction there will be developed a number of activities in time, as well as their preliminary estimated costs and possible financial

sources. The Plan will be correlated to the possible extent with the mayoralty's budget and will be largely oriented towards the efficient use of financial, material resources and local human potential. At the same time, the Plan will take into consideration the results of the discussions held in the focus groups on the community priority problems.

- 3.2.9. At the end of the planning process, the CBO will organize focus groups again (with mayoralty councilors, businessmen, community NGOs, elderly persons, youth, women etc.), where the elaborated strategic Plan of village development will be discussed. Based on the held discussions and proposals for improvement, the CBO will make the necessary changes in the elaborated plan.

3.3. Selection of subproject proposals included in the Grant Application

- 3.3.1. The CBO together with the Mayoralty will also organize a General Meeting of the community. If the village population is under 2000 inhabitants, there will be organized a General Meeting with 30% of the adult population of the village present. If the village population is over 2000, there will be organized a Meeting of representatives of all neighborhoods, socio-demographic groups, which will be attended by: 15% of the adult population in villages with 2001-4000 inhabitants, 10% -- 4001-6000 inhabitants, 5% - over 6000 inhabitants. The list of participants with their signatures will be made. The MSIF consultants in community development will be invited to the Village Meeting.
- 3.3.2. The General Meeting of the village or the Meeting of the Representatives will raise for discussions the following questions:
- The Strategic Plan of the village social economic development elaborated by the village Development Committee.
 - Priority problems to be submitted to MSIF in order to obtain financial support (at least 2 problems will be selected).
 - At the same time, the community will select the problems according to their priority (for example, the problem that needs to be solved first of all, second, third etc.). The proposals will be valid, if over ½ of the participants to the Meeting vote for them.
 - Community contribution.
- 3.3.3. In the case of a representative Meeting, the CBO will organize a referendum in the village and will collect people's signatures for the proposals made at the meeting, described in their priority order.
- 3.3.4. After the General Meeting of the village and, in some cases, the organization of a referendum, the CBO, together with the village Development Committee, will introduce the necessary changes in the strategic development Plan of the village elaborated with respect to the participants' proposals at the meeting, and will present the Plan for approval to the local Council.

- 3.3.5. The local Council will make a decision in conformity with which: a) the 5 year Strategic Plan of social economic development of the community will be approved; b) the mayor will be responsible to report every six months to the broader Session of the local Council with the participation of the village Development Committee about the progress of plan fulfillment; c) the mayor, CBO and Development Committee will be responsible to organize annual reports before the village General Meeting regarding the fulfillment of the annual plans.
- 3.3.6. After the General Meeting of the village and, in some cases, the organization of a referendum, the MSIF consultants in community development (technical and social issues) will facilitate the CBO in preparing the Grant Application for obtaining financial resources from MSIF. The Grant Application will be developed in accordance with the MSIF standard form and Terms of References (Annex 2).
- 3.3.7. The CBO will submit to MSIF along with the Grant Application the following documents:
- Minutes of the discussions in focus groups and of the General Meeting (standard forms) (Annex 1).
 - Lists of participants to the discussions in focus groups and the General Meeting with their signatures.
 - Decision of the local Council on the creation of the village Development Committee.
 - Copy of the Strategic Plan of social economic development of the village approved by the local Council.
 - Decision of the local Council on the approval of the Strategic Plan.

Section IV. Evaluation and final selection of Grant Applications

4.1. Community participation in the evaluation process

- 4.1.1. After the including in the short list, the CBOs and local public administration representatives will benefit from training by MSIF on “Role of CBO and local mayoralties in the process of evaluation of the Grant Applications”. Chairpersons of the CBOs and community mayors will attend the training.
- 4.1.2. After the seminar, the CBOs responsible for the implementation of Grant Applications will develop and prepare within two weeks all the necessary documents for the first stage of evaluation, including:
- Confirmation that the objects are on the Mayoralty’s balance.
 - Confirmation regarding preservation of the statute of a social infrastructure object for a period of 15 years.

- Plan of ensuring objects' sustainability after handover and financial resources that will be available.
- Confirmation from the relevant bodies regarding the salaries of staff activating in the given social service.
- Commitment of the CBO to collect the 15% contribution of the grant proposal cost.
- Guarantee letter from the Mayoralty about the collection of community contribution
- Official permission from the private person whose property will be affected by the realization of the sub- projects.
- Authorizations from relevant institutions for designing and construction of the facility.

4.1.3. The evaluation of Grant Applications will be done in two stages: desk evaluation and field evaluation.

4.2. Desk appraisal

4.2.1. The desk evaluation will be carried out on the basis of the documents submitted in the Grant Application file, by two consultants in community development (technical and social issues) within 10 days since receipt of the documents for the first stage of evaluation.

4.2.2. The evaluation at the office level will be carried out from the point of view of the following criteria: technical and investment feasibility, expected benefits, community involvement and participation in the development of the Plan of social economic development of the village and in the process of prioritization of subproject proposals submitted to MSIF, CBO's capacity to implement the Grant, partnership between the CBO and local public administration in view of implementation of the strategic Plan and subproject proposals, the concept of subproject sustainability, subproject's impact on the environment.

4.2.3. The evaluation of the Grant Applications will be done on the basis of scores to be given for each selection criterion. Thus:

Evaluation criteria	Scores
Technical feasibility of subproject	15
Economic and investment feasibility	15
Community involvement in the process of planning and problems prioritization	20
CBO capacity to implement the Grant	15

Established partnership between CBO and LPA	15
Sustainability concept of subprojects	20

If the accumulated score is higher than 60, the Grant Application will pass to the stage of evaluation on the field.

4.3. Field appraisal

4.3.1. The field appraisal will be carried out only for the Grant Applications that passed the office evaluation. The community development consultants (for technical and social issues) will go on field trips to verify the following:

- The degree of involvement of social-demographic groups in the process of elaboration of the Strategic Plan of the village social economic development.
- Subproject proposals included in the grant Application represent an integral part of the Strategic Plan of social economic development of the village and are a priority for the village.
- Partnership established between the CBO that submitted the grant Application and the local mayoralty in view of implementation of the subproject proposals included in the grant Application.
- Feasibility of the subprojects included in the grant Application from a technical point of view.
- Feasibility of the subprojects included in the grant Application from an ecological point of view.
- Institutional capacity of the CBO to carry out subprojects included in the grant Application.
- Community capacity to provide the 15% investment of the grant Application cost.
- Community capacity to ensure sustainability and development of subprojects when MSIF funding ends.
- Identification together with the community members of the risks to which efficient grant implementation may be subject.
- Elaboration of measures to abate possible risks.

4.3.2. The field appraisal has a participative nature and is done together with the CBO that has submitted the Grant Application, and the representatives of the local mayoralty.

4.3.3. Based on following the procedures, observations and findings, evaluation form filled out, the community development consultants (for technical and social issues) will put together a report on field findings. The report will describe: verification of eligibility criteria, technical soundness of subprojects, community involvement, implementation capacity of the CBO, the CBO's capacity to manage finances, subprojects' sustainability after MSIF financing ends, environmental protection aspects, and other relevant aspects. Each evaluation report contains a separate recommendation of the community development consultants regarding the acceptance or rejection of financing for the grant Application, as well as the risks that can appear during subprojects' implementation.

4.3.4. Based on results obtained in the field, the ranking described in the p.4.2.3 will be reviewed and recomputed.

4.4. Final selection of CBOs which will implement Grant Applications.

4.4.1. Based on submitted documents, the MSIF's selection commission will determine the CBOs, which will be awarded grants. The following criteria will be use for selection the Grant Application to be implemented:

Nr	Criteria	Weight
1	CBOs skills – the re-weighted total points (to maximal 20) received by CBO in the pre-selection (see table of p.3.1.6.2). For example, in the pre-selection a CBO had a total of 72 points, the re-weighted score is $(72*100)/20=14.4$ points	20
2	Participation in elaboration of Community Development Plan – level of coverage of all community actors in elaboration, level of activity of workshop participants. Evaluation of this criterion will be done by independent experts from Contact Center and USAID	20
3	Quality of Grant Application – re-weighted total points (to maximal 20) received by grant application in the desk appraisal and field appraisal (see p. 4.2.3. and p.4.3.4) . For example, if in the appraisal a Grant Application had a total of 72 points, the re-weighted score is $(72/100)*20=14.4$. Evaluation of this criterion wil be don by MSIF consultants.	20
4	Community contribution percentage – the highest community contribution percentage P_{max} is ranked as maximal $R_{max}=40$ points, the others rankings R_i are computed depending on percentage P_i as $R_i=R_{max}*p_i/P_{max}$. For example, if the maximal percentage proposed is 25%, an i -th CBO, which gathered 15% of contribution, will be ranked with $R_i=40*15/25=24$ points	40

4.4.2. All CBOs/ Grant Applications will be ranked according with total points in an ordered list. Grants will be awarded to first N CBOs in the list depending on the available funds.

Section V. Development of technical drawings

5.1. Training CBOs in procurement issues

- 5.1.1. After carrying out the field evaluation, MSIF organizes a training for the representatives of the CBO and local mayoralty regarding the procurement of services of design companies and local supervisors. The training will be focused on the issues: role and responsibilities of the local supervisor in the process of subprojects' implementation, MSIF procurement procedures of services, consultants and goods, partnership relations between the local supervisor and the community etc.

The procurement procedures for local supervisor and Design Company please see in Part IV of the present Operational Manual

5.2 Participatory technical appraisal

- 5.2.1 When the technical design is finalized, the CBO together with the mayoralty and MSIF consultants in community development (for technical and social issues) will organize a participatory appraisal of the degree of compliance between the developed technical design and beneficiaries' needs.
- 5.2.2 In the process of participatory appraisal, there will be evaluated the quality of the executed technical design, size of works included in the cost estimates, correspondence of the works included in the estimates to the beneficiaries' needs, the expected social impact of the project on the community. At the same time, the consultants in community development will provide the necessary technical assistance to the CBO in MSIF Project procedures.
- 5.2.3 As a result of the participatory appraisal, the CBO will elaborate with MSIF technical assistance the estimated budget of the Grant Application.

Section VI. Approval of Grant Application and collection of contribution

6.1 Approval of Grant Application by MSIF EC

- 6.1.1. After developing the estimated budget of the Grant Application and Grant implementation plan, the CBO with LPA representatives will defend the Grant Application at the MSIF Executive Committee.
- 6.1.2. Having analyzed the Grant Application, the Executive Committee of MSIF will either approve, or reject the Grant Application submitted by the CBO on behalf of the community.
- 6.1.3. If the Grant Application is approved, MSIF will sign a Grant Agreement with the CBO, where all the rights and obligations of the parts involved in grant implementation will be stipulated.

6.1.4. After signing the Grant Agreement, the CBO will obtain the right to collect the community contribution within one month.

6.2. Collection of contribution by the community

6.2.1. In the case of subprojects related to the renovation of social or social-economic infrastructure, the community has to contribute at least 15% of the total cost of subprojects. 85% will be financed by MSIF. The CBOs and mayoralties will cover 100% of the operational costs. The remaining costs will be financed by MSIF. Larger investment from communities will be encouraged.

6.2.2. The community contribution, in the case of investment costs, can be done in the following forms:

a. Investments in kind, including:

- Investments in the form of construction materials, and
- equipment offered by the community.

b. Financial investments, including:

- Financial resources from the population of the whole community (at least 3% of the investment cost); and
- larger investments from wealthier members of the community.

6.2.3. MSIF will do its best to obtain larger investments directly from the beneficiary or applying community. But any organization or the local administration can contribute to the subproject on behalf of the beneficiary or applying community. At least 3% of the community investment should be collected in money from the beneficiaries themselves – for social infrastructure objects and 7.5% - for social-economic infrastructure objects.

6.2.4. All the details about the community investments, such as terms of payments, will be described in the Grant Agreement signed by the CBO, Mayoralty and MSIF. The CBO will be responsible to guarantee the collection of the community share of investment.

6.2.5. The hiring of the contractor should not start unless the community investment is collected on the special account of the CBO and until MSIF verifies the availability, quantity and quality of materials and equipment proposed by its investment and the ownership documents. .

Section VII. Implementation of Grant Application

7.1. Execution of Grant Application

- 7.1.1. The CBO, with LPA is responsible for organizing and managing the subprojects included in the Grant Application, funds management, supervision of the quality of executed works and contractor's schedule, informing the beneficiaries, goods, works and services procurement activity, mobilizing the community to collect the contribution.
- 7.1.2. The CBO will report monthly to MSIF on subprojects' implementation progress, providing information on the physical evolution of works and the expenses paid for subprojects' execution.
- 7.1.3. In order to develop communities' capacities in the process of Grant organization and execution, MSIF will organize at the zone level training of the CBOs representatives (Chairperson, Accountant and Engineer of the CBO), LPA, together with the local supervisors, in procurement issues, financial management, methods of monitoring subprojects implementation, community involvement in the monitoring process, ensuring transparency of subprojects implementation, methods of fund raising etc. Duration of training – 4 days.

7.2 Procurement of civil work company by the community

- 7.2.1. The CBO, together with LPA will organize a tender for the procurement of a civil work company in conformity with MSIF procurement procedures. (Please see Section I, paragraph 1.3 of the present Operational Manual).
- 7.2.2. As a result of the tender, a civil work company will be selected to carry out the renovation or construction works. A contract will be signed between the CBO, Local Public Administration and the contractor regarding the fulfillment of the construction works.
- 7.2.3. The CBOs, having effected the first procurements of goods, consultant services (local supervisor, design firm, other consultant services), works, shall submit for examination and approval to the MSIF Evaluation Board data on the results of these procurements.

7.3 Participatory monitoring of Grant implementation

- 7.3.1. Participatory monitoring is an internal subproject activity, it is included in the subproject's cost and is aimed at ensuring and controlling the quality and size of the effected works at all stages of execution.
- 7.3.2. The local supervisor, selected on a competitive basis by the CBO, coordinates the participatory monitoring done by community's members. More details about the specific of participatory monitoring will be given in a separate Manual (see Part IV of the present Manual).
- 7.3.3. The CBO, with the local public administration will also manage and monitor the general progress of subprojects and will require from the local supervisor qualitative supervision of renovation works execution. The CBO will organize at least twice a month joint sessions with the hired civil work company and will evaluate the execution of the scheduled activities. The local supervisor will report to the CBO, local Council about the

progress of project implementation and the problems that appear on the building site, and will propose solutions necessary to put things right.

7.4. Monitoring of grant implementation by MSIF

7.4.1. Each approved grant Application is supervised during execution by two community development consultants (technical and social issues) and a financial auditor, assigned by MSIF. The supervision trips of those three consultants will take place on a monthly basis and mandatory before every new installment disbursed from MSIF, based on a request from the CBO.

7.4.2. The mentioned consultants verify to what extent, how and when the grant objectives have been achieved and, at the same time, provide technical assistance to the community or the CBO to improve the quality of activities and build local capacities.

7.4.3. The mentioned consultants supervise, verify, provide technical assistance and establish remedy measures in matters concerning the following:

- Involvement of community by the CBO in the Grant implementation.
- The stage of implementation of the subprojects included in the grant Application from the physical point of view and regarding its objectives, in relation to the work schedule.
- Quality of the executed works.
- Execution of contracts signed by the CBO with different suppliers.
nt management and observance of the procurement procedures for goods, services and works.
- Meeting the requirements of environmental protection
- Financial management and Grant's accounting
- Collection of the necessary funds for further maintenance of the renovated objects
- Local supervisors' training.
- Facilitation of community in all issues pertaining to the Grant implementation.

7.5. Financial management of Grants

7.5.1. MSIF disburses financial means to the CBO in installments. The first installment is considered an advance and is disbursed on the basis of the grant implementation plan and the justification of the works included in the plan. The subsequent installments are disbursed on the basis of the community's request, taking into account the execution and

finalization of certain works included in the Grant Application, and based on the report of the community development consultants and the financial auditor after their field trip.

- 7.5.2. The report of the MSIF consultants includes along with an analysis of the physical execution of works and the grant's financial situation, made on the basis of payment documents verification, the consultants' recommendations on whether the next installment should or should not be disbursed.
- 7.5.3. When it asks for the next installment, the CBO should justify to the MSIF consultants the spending of at least 75% of the previous installment. The justification of the remaining 25% is done with the execution of the request for the next installment. All payment transactions will be executed by CBOs through the Territorial Treasury of MoF.
- 7.5.4. Before making the last disbursement, MSIF will conduct a revision of the financial resources allotted for the community grant to see if there are any unused financial resources and in order to do the transfer in strict conformity with the de facto expenses. If during the implementation of the last installment some financial means are saved they will be at the disposal of the CBO for further implementation of the community strategic plan.
- 7.5.5. The methods of grant funds transfer, the terms and conditions of funds disbursements are stipulated in the Grant Agreement.

Section VIII. Grant Closure

The Grant is considered closed, if all the objectives agreed in the Grant Agreement have been achieved, all amounts received from the Fund have been justified by evidence and all Grant closing formalities have been performed.

Before Grant closure, the consultants in community development (technical and social) together with the financial auditor write and submit to MSIF a final Report, where it is shown that the Grant objectives have been achieved according to the Grant Agreement and in compliance with the quality and environmental standards, the subprojects implemented under the Grant have a direct and immediate impact on at least 30% of the community population, all the granted amounts have been used according to their destination stated in the Grant Agreement, the unspent amounts after the last installment will remain on the CBO's account and will be used for development or sustainability of the subprojects.

The closure of the grant is done in three steps: a) preliminary and final handover of the renovated objects supported by MSIF, b) financial closure of the Grant, c) transfer of the invested object from the balance of the CBO on the balance of the local public administration.

8.1. Preliminary and final handover of the renovated objects

- 8.1.1. The CBO, together with the Mayoralty, will be responsible to organize the process of preliminary and final handover of the renovated objects, according to MSIF procedures. The preliminary handover will take place with the participation of the contractor, local supervisor and beneficiaries, and the MSIF consultants in community development (technical and social issues). The Contractor will correct the faults found in the period of

time agreed between parties and specified in the minutes of handover. During the preliminary handover, the minutes of handover – reception are signed, where the contractor’s guarantees at the end of the contract are mentioned. The process of final handover will be organized when the guarantee term expires, only by the CBO, with the mayoralty.

- 8.1.2. After the preliminary handover, the CBO will organize a General Meeting of the village where it will present a report on the Grant implementation results.

8.2. Financial and administrative closure of the Grant

- 8.2.1. The financial-administrative closure of the Grant will be done by re-allocating the remaining amounts after the disbursement of the last installment; bringing to MSIF the copy of the extract from the bank account with 0 balance, and the current and final financial statement, bringing up to date the sustainability plan of the renovated facilities with an indication of concrete sources of funding the activities included in the plan.

8.3. Ensuring sustainability of renovated facilities

- 8.3.1. After the final handover of the renovated facilities and the financial closure of the Grant Application, the invested amounts will be transferred from the CBO’s balance on the local public administration balance.
- 8.3.2. The local mayoralty will sign a Collaboration Agreement with the CBO regarding the maintenance of the renovated social infrastructure objects and the creation of a Sustainability Fund in this connection.
- 8.3.3. The further steps conducted by the communities at the post-implementation stage will be detailed in a separate Participatory Monitoring and Evaluation Manual (See Part IV of the present Manual)

Part III. New and innovative community based social care services (NICBCS)

Section I. Procedures of NICBCS Project implementation

1.1 MSIF responsibilities

- Promotion of the NICBCS Small Grants at the national and local level
- Organization of a contest for the NGOs willing to implement a NICBCS grant
- Organization of the training course and provision of technical assistance for NGOs in the matter of project proposal writing
- Evaluation of social and technical impact of project included in the Grant Application, at the office and field level
- Approval of the grant Application by the EC of MSIF
- Training of NGO in issues related to procurement of goods, services and consultants, financial management, projects implementation monitoring, ensuring project implementation transparency, ensuring renovated objects sustainability, etc.
- Financing in installments, based on the NGO request on the Grant
- Training and technical assistance provision for social centers' center staff concerning social services delivery for disadvantaged population
- Monitoring and evaluation of grant implementation.

1.2. NGO responsibilities

- Preparation of the Grant Application
- Preparation of all the necessary documents and confirmations for project approval
- Collection of contribution by NGO in partnership with LPA
- Procurement of design company's services, as well as other goods and services included in the grant Application in accordance with MSIF procedures
- Participative evaluation of the developed technical design
- Procurement of civil work company's services and development of technical drawings as part of the village contribution

- Making the payments
- Keeping accounting records in accordance with the Republic of Moldova legislation, donor countries' and World Bank requirements
- Ensuring transparency of Grant implementation
- Organization of preliminary and final Handover of the renovated objects
- Permanent management and monitoring of unfolding implementation of project included in the Grant Application
- Reporting to community about the implementation results of the Grant obtained from MSIF
- Elaboration of selection criteria for center's staff recruitment
- Collaborative identification of target groups and adequate evaluation of their social needs
- Elaboration of center's plan of activities and principals of drawing up an individual plan of work for beneficiaries
- Verification the social services capacity to meet beneficiaries social needs.
- Provision of training to the core and extended family for the full satisfaction of beneficiaries needs.
- Ensuring of institutional and financial sustainability of social services supported by MSIF.

1.3 LPA responsibilities

- Participation at the evaluation of community social needs and identification of target groups.
- Involvement in the process of grant application formulation
- Contribute to the project implementation by taking the social services center at its balance and keep it out from privatization for at least 15 years.
- Take on its balance sheet the goods such as equipment, furniture, acquired for the project implementation and undertake the commitment to use them in accordance with their destination.
- Cover the operational costs of the social services center for at least 3 years
- Elaborate the staff recruitment criteria and organization of staff selection for social services center

- Permanently contribute logistically at the staff training, its improvement, and remuneration.
- Provision of monitoring and supervision of grant implementation as well as evaluation of social services results and social impact.

Section II. Promotion of NICBSCS Small Grants

Promotion will be done both at the national and regional level.

2.1 Promotion at the national level

2.1.1. At the national level, NICBSCS Small Grants promotion will be carried out through republican mass media and the network of communities that have obtained financial support from MSIF. Means of promotion at the national level are also the round tables, conferences organized by MSIF partners (SOROS Foundation, UNICEF, Ministries of Education, Labor and Social Protection, national NGOs, such as Prodidactica, Contact, ADEPT, NGO Alliance providing services in the area of social assistance etc.)

MSIF web page will keep up-dated information on the project's results. This will ensure the dissemination of information to a greater extend all over the country.

2.3 Promotion at the regional level

2.2.1. At the regional level, promotion will be carried out through organizing promotion seminars in zones, districts or sectors, where there will be invited representatives of LPA, local and regional NGOs representatives that acts in the sphere of social assistance, regional mass media representatives. MSIF will contribute to the consolidation of the network among the organizations that deal with social services for disadvantaged population, which is a good premise for the regional promotion. This will be based on the collaboration with organizations alliances that address the needs of vulnerable groups. MSIF consultants will hold the seminar.

Matters to be discussed at the seminar:

- The concept of NICBSCS Small Grants
- Procedures of preparation and project implementation included in the Grant Application
- Social impact of NICBSCS on community development
- Collaboration within the network of organizations that deal with social services addressed to disadvantaged population

Section III. Identification of Grant Applications

The identification of the Grant Applications will take place by organizing a contest for the NGOs willing to implement a NICBSCS Grant. Selection of NGOs will be done according with WB procurement procedure “Selection based on Consultants’ qualification” in two stages: a) creating of short list from the NGOs which expressed Interest; b) selection of NGOs based on technical proposal.

3.1. Organization of contest for NGOs willing to implement a NICBSCS Grant

- 3.1.1. MSIF will publish an announcement in the republican and regional press regarding the organization of a contest for the NGOs willing to implement NICBSCS Small Grants as well as in the MSIF web site. The NGOs will be encouraged to express their interest and submit an application letter.
- 3.1.2. NGO training in the matter of project proposal writing and provision of technical assistance.
- 3.1.3. The expression of interest and application to participate in the contest can be submitted by NGOs whose objectives are directed for addressing social needs of different vulnerable target groups in partnership with the local authority.
- 3.1.4. The expression of interest and application for participation in the contest will be made on the basis of a participation form that will request the following information:
 - Name of the NGO submitting the Application
 - Name of the community
 - Demonstration of the community need in creation of new social services
 - Draft description of the project with the estimated cost and potential beneficiaries’ list
 - Expected results and social impact
 - Draft of financial and institutional sustainability plan
- 3.1.5. Along with the expression of interest and participation forms, the NGO intending to participate in the contest will submit the following documents:
 - The certificate of NGO registration; copy of the NGO Statute; list of NGO founders; number of the Bank Account
 - CVs of NGO and LPA representatives that will be involved in grant implementation
- 3.1.6. The NGO is also asked to present documents that confirm the proficiency and the performances of the organization:
 - a) Arguments confirming the applicant’s experience in administration of other projects such as the name of the project, the budget of the project, the source of finance, beneficiaries, results of the activity

- b) Reference letters from the organizations they collaborate with (desirable)
- c) Copies of collaboration agreements (desirable)
- d) Annual report of activity and other relevant documents (desirable)

3.2. Selection of NGOs for the short list

3.2.1. Based on the received expression of interest and submitted documents, the MSIF Evaluation Commission will select the NGOs for the short list. The NGOs of the short list will be involved in the competition for the implementation of a project. The submitted proposals will reflect the most necessary typologies of local NGOs. Based on submitted proposals and other needs established by poverty assessments available in the country, MSIF staff will establish and approve in an EC meeting the list of typologies, which have to be implemented. The short list will be established separately for each typology.

3.2.2. **Eligibility criteria establish:** Is the NGO potential for implementation of new and innovative type of non residential services for the vulnerable groups, sustainable partnerships concluded with local authorities, quality of project proposal. The score will be calculated on the basis of the following weighted criteria:

Criteria	Weight
1. Proposal quality: problem importance, strategy and solutions for addressing the problem	20
2. Institutional capacity of NGO: compliance of NGO profile with the project proposal concept; NGO experience in solution of similar problems.	30
3. Staff qualification and experience in the field: educational background and training received, experience of work in targeted social services area according with CVs,	30
4. Innovative approach of the project proposal in addressing community social needs.	20

Total lack of compliance is appreciated with 0 points and maximum compliance is appreciated with the maximum score of the certain criterion. The minimum score for inclusion in the short list and promotion to the next stage is 70 points. The Evaluation Commission will appreciate the scores as a result of studying the proposal. The score will represent the average of the scores given by each member of the commission separately.

3.3. Requests for Proposal.

3.3.1. NGOs, included in the short lists, will be invited to participate in the next stage of competition. For this goal, Request for Proposal will be submitted to each NGO from the short list. The RFP will contain Terms of References, which will describe requirements to Grant Application. In the case of some particularities will arise for different typologies an Annex will be developed to these Terms of References.

3.3.2. Terms of references will include the following minimal requirements to the grant application:

- Information listed above in compartments 3.1.4-3.1.6,
- Detailed description of the project with estimated cost,
- Enclosure with the list of beneficiaries,
- The implementation schedule of the project,
- Detailed financial and sustainability plan,
- The Decision of LPA regarding the partnership with NGO concerning grant implementation, that will represent a partnership agreement between the NGO and LPA and will stipulate the following:
 - a) The list of staff needed for the project functioning, along with the LPA responsibility for the staff remuneration. Confirmation letter from the LPA regarding the salaries of staff activating in the given social service.
 - b) LPA responsibility for covering the operational cost of the facility given for social services for at least 3 years
 - c) LPA responsibility for taking the facility on its balance and keep it out from privatization for 15 years. Confirmation letter regarding preservation of the statute of facility for a period of 15 years and confirmation letter that the objects are on the Mayoralty's balance.
 - d) LPA commitment to co-finance 3 % of investment cost guaranteed by the letter from the Mayoralty.
 - e) LPA commitment for monitoring and supervision of project implementation

3.3.3. All NGOs will be informed about the available funds for each typology and about the NGOs included in each short list. All NGOs will be given a 14 days period for preparation of Grant Proposals.

3.4. Evaluation of grant proposals

3.4.1. The evaluation of Grant Proposals will be carried out on the basis of the documents submitted in the Grant Proposal file. The following criteria will be used for selection

Criteria	Weight
1. Project proposal quality: problem importance, strategy and solutions for addressing the problem, activity plan, and adequacy of staff designation, Innovative approach of the project proposal in addressing community social needs.	25
2. Institutional capacity & experience in the relevant field: educational background and training received, experience of work in targeted social services area according with CVs, compliance of NGO profile with the project proposal concept; NGO experience in solution of similar problems.	30
3. Project feasibility: Technical, economic and investment feasibility, Community involvement in identification of target	20

beneficiary groups.	
4. Project sustainability: potential partnerships between NGO and LPA, national and international NGOs and foundations; quality and feasibility of sustainability plans, Institutional and financial sustainability	25

Total lack of compliance is appreciated with 0 points and maximum compliance is appreciated with the maximum score of the certain criterion. The Evaluation Commission will appreciate the scores as a result of studying the proposal. The score will represent the average of the scores given by each member of the commission separately.

3.4.2. The competition will be carried out inside the each typology. All Grant Proposals will be ranked according with the above scores. Grants will be awarded to NGOs with highest scores, which can't be less that 60 points, and taking into account available funds. Winner will be invited to implement projects and the Grant application will be registered into MIS. In the case, when some of NGOs registered as winner will fail to implement the grant application, the next NGO with the highest score of the same typology will be selected to implement its Grant Application.

Section IV. Appraisal of Grant Applications

4.1. Community participation in the appraisal process

4.1.1. After the registration of the Grant Applications, the NGO and LPA representatives will benefit from training by MSIF on “Role of NGO and LPA in the process of evaluation of the Grant Applications”. The head of NGO and LPA representatives will attend the training.

4.1.2. The appraisal of Grant Applications will be done by NGO, community and LPA representatives in a participatory manner. MSIF will continue monitoring and technical assistance of community actors.

4.2. Field appraisal

4.2.1. The field appraisal will be carried out only for the Grant Applications that passed the previous stage of appraisal and were registered in MFIS MIS as winner. The community development consultants (for technical and social issues) will go on field trips to verify the following:

- Partnership established between the NGO that submitted the grant Application and the LPA in view of implementation of the project proposals included in the grant Application.
- Proficiency of the NGO in performing social services for disadvantaged population.

- Feasibility of the projects proposal from a technical point of view.
 - Capacity to provide the 3% investment of the Grant Application cost.
 - Social services center being at the LPA balance sheet
 - LPA capacity to provide funds for covering operational costs and staff salaries for at least 3 years
 - Confirmation of beneficiaries needs in proposed social services
 - Availability in the community of qualified personnel that could deliver social services to the selected target group
 - Capacity to ensure sustainability and development of projects when MSIF funding ends.
 - Community involvement in identification of target beneficiary groups
- 4.2.2. The evaluation in the field has a participative nature and is done together with the NGO that has submitted the grant Application and the representatives of the LPA.
- 4.2.3. Based on the procedures, observations and findings, evaluation form filled out, the community development consultants (for technical and social issues) will put together a report on field findings. The report will describe: verification of eligibility criteria for social needs, technical soundness of projects, and implementation capacity of the NGO, the NGO's capacity to manage finances, projects' sustainability after MSIF financing ends, and other relevant aspects. Each evaluation report contains a separate recommendation of the community development consultants regarding the acceptance or rejection of financing for the grant Application, as well as the risks that can appear during projects' implementation.

Section V. Development of technical drawings

5.1. Training CBOs in procurement issues

- 5.1.1. After carrying out the field evaluation, MSIF organizes training for the representatives of the NGO and local mayoralty regarding the procurement of services of design companies and local supervisors. The training will be focused on the issues: role and responsibilities of the local supervisor in the process of subprojects' implementation, MSIF procurement procedures of services, consultants and goods, partnership relations between the local supervisor and the community etc.
- 5.1.2. The procurement procedures for local supervisor and design company please see in PART V of the present Operational Manual

5.2. Participatory appraisal of the developed technical design

- 5.2.1. When the technical design is finalized, the NGO together with the mayoralty and MSIF consultants in community development (for technical and social issues) will organize a participative evaluation of the degree of compliance between the developed technical design and beneficiaries' needs.
- 5.2.2. In the process of participative evaluation, there will be evaluated the quality of the executed technical design, size of works included in the cost estimates, correspondence of the works included in the estimates to the beneficiaries' needs, the expected social impact of the project on the community. At the same time, the consultants in community development will provide the necessary technical assistance to the NGO in MSIF Project procedures.
- 5.2.3. As a result of the participative evaluation, the NGO will elaborate with MSIF technical assistance the estimated budget of the Grant Application.
- 5.2.4. In the process of participative evaluation, NGO with MSIF technical assistance will meliorate the center plan of activities

Section VI. Approval of Grant Application and collection of contribution

6.1 Approval of Grant Application by EC of MSIF

- 6.1.1 After developing the estimated budget of the Grant Application and Grant implementation plan, the NGO with LPA representatives will defend the Grant Application at the MSIF Executive Committee.
- 6.1.2 Having analyzed the Grant Application, the Executive Committee of MSIF will either approve, or reject the Grant Application submitted by the NGO.
- 6.1.3 If the Grant Application is approved, MSIF will sign a Grant Agreement with the NGO where all the rights and obligations of the parts involved in grant implementation will be stipulated.

6.2 Collection of contribution by the community

- 6.2.1 Project related to creation of community services for disadvantaged groups will require community contribution that consist of no less than 3% of the investment costs. All 3% of contribution will be cash money. The MSIF will cover 97% of the investment costs.
- 6.2.2 100% of operational costs for operating services are going to be covered by LPA.
- 6.2.3 The hiring of the contractor should not start unless the contribution is collected on the special account of the NGO and evidences are provided to the MSIF.

Section VII. Implementation of Grant Application

7.1. Execution of Grant Application

- 7.1.1 The NGO is responsible for organizing and managing the project included in the Grant Application, funds management, supervision of the quality of executed works and contractor's schedule, informing the beneficiaries; goods, works and services procurement activity regarding the civil work of the object
- 7.1.2 The NGO will report monthly to MSIF on project implementation progress, providing information on the physical evolution of works and the expenses paid for project execution at the renovation of the object.
- 7.1.3 In order to develop the NGO capacity for grant implementation MSIF will organize at the zone level training of the NGO representatives (Chairperson, Accountant and Engineer), LPA, together with the local supervisors. The training will cover procurement issues, financial management, methods of monitoring project's implementation, ensuring transparency of project implementation regarding the civil work of the object Duration of training – 4 days.
- 7.1.4 The NGO is responsible for the implementation of social part of Grant Application that cover the following: delivery of social services that consist in organization and managing the project included in the Grant Application, funds management, elaboration of staff selection criteria, staff recruitment, staff training, identifying the beneficiaries, elaboration of activities plan of social assistance for target groups, assessment and monitoring of implemented social services, involvement of community in project implementation through the volunteers activity
- 7.1.5 The NGO will report once in two months to MSIF on project implementation progress regarding the social services delivery.
- 7.1.6 In order to develop the NGO capacity for grant implementation MSIF will organize training for the NGO and LPA representatives regarding the social assistance theoretical and practical knowledge.

7.2 Participatory monitoring of Grant implementation

- 7.2.1 Participatory monitoring is an internal project activity, which is included in the project cost and aims the endurance and control of the quality and size of the performed work and activities at all stages of execution of renovation work of the object.
- 7.2.2 The local supervisor selected on a competitive basis by the NGO coordinates and is responsible for the participatory monitoring of civil works, done by NGO's and community's representatives.
- 7.2.3 The NGO with the LPA will also manage and monitor the general progress of project and will require from the local supervisor qualitative supervision of civil works execution. The NGO will organize monthly joint sessions with the hired civil work company and will evaluate the execution of the scheduled activities. The local supervisor will report to

the NGO and LPA about the progress of project implementation and the problems that appear on the building site, and will propose solutions necessary to put things right.

7.2.4 The NGO will be responsible for procurement of all programming equipment and materials for social services delivery

7.2.5 The NGO will be responsible for staff training included in the Small Grant.

7.2.6 The NGO will be responsible for monitoring and supervision of the center's staff that will be carried out at least once in two months.

7.2.7 The NGO will be responsible for reporting once in two months about the progresses of the project implementation on social service delivery.

7.3 **MSIF Monitoring of Grant implementation**

7.3.1 Each approved Grant is supervised during execution by two community development consultants (technical and social issues) and a financial auditor, assigned by MSIF. The supervision trips of those three consultants will take place on a monthly basis and mandatory before every new installment disbursed from MSIF, based on a request from the NGO.

7.3.2 The mentioned consultants verify to what extent, how and when the grant objectives have been achieved and, at the same time, provide technical assistance to the NGO and LPA for improving the quality of activities and build local capacities.

7.3.3 The mentioned consultants supervise, verify, provide technical assistance and establish remedy measures in matters concerning the following:

- The stage of implementation of the project included in the grant Application from the physical point of view and regarding its objectives, in relation to the work schedule.
- Quality of the executed work.
- Execution of contracts signed by the NGO with different suppliers.
- Grant management and observance of the procurement procedures for goods, services and works.
- Financial management and Grant's accounting
- Collection of the necessary funds for further delivery of implemented services
- Local supervisors' and specialists training.

7.3.4 The consultant in social issues verify to what extent, how and when the grant objectives have been achieved and, at the same time, provide technical assistance to the NGO and LPA for improving the quality of activities and build local capacities regarding social services delivery.

7.3.5 The consultant supervise, verify, provide technical assistance on social services delivery

- The stage of implementation of the project included in the grant Application from the social point of view and regarding its objectives, in relation to the work schedule
- Quality of the services delivery
- Proficiency of center's staff in social services delivery
- Specialists training
- Supervision for the center's staff
- Involvement of the community during project implementation
- Dissemination of information and development of center's network
- Participative monitoring and evaluation of the center's activity as well as social impact

7.4 Financial management of Grants

7.4.1 MSIF disburses financial means to the NGO in installments. The first installment is considered an advance and is disbursed on the basis of the grant implementation plan and the justification of the works included in the plan. The subsequent installments are disbursed on the basis of the request, taking into account the execution and finalization of certain works included in the grant application, and based on the report of the community development consultants and the financial auditor after their field trip.

7.4.2 The report of the MSIF consultants includes along with an analysis of the physical execution of works and the grant's financial situation, made on the basis of payment documents verification, the consultants' recommendations on whether the next installment should or should not be disbursed.

7.4.3 Asking for the next installment, the NGO should justify to the MSIF consultants the spending of at least 75% from previous installment. The justification of the remaining 25% is done with the execution of the request for the next installment. At each disbursement, the LPA will act as a guarantor of payments' correctness.

7.4.4 Before making the last disbursement, MSIF will conduct a revision of the financial resources allotted for the grant to see if there are any unused financial resources and in order to do the transfer in strict conformity with the de facto expenses. If during the implementation of the last installment some financial means are saved, they will be transferred to the MSIF special account.

7.4.5 The methods of grant funds transfer, the terms and conditions of funds disbursements are stipulated in the Grant Agreement.

Section VIII. Grant Closure

The Grant is considered closed, if all the objectives agreed in the Grant Agreement have been achieved, all amounts received from the MSIF have been justified by evidences and all Grant closing formalities have been performed.

Before Grant closure, the consultants in community development (technical and social) together with the financial auditor write and submit to MSIF a final Report, where it is shown that the Grant objectives have been achieved according to the Grant Agreement and in compliance with the quality standards, the project implemented under the Grant have a direct and immediate impact on the target groups from the community, all the granted amounts have been used according to their destination stated in the Grant Agreement, the unused amounts after the last installment will be transferred to the MSIF special account.

The closure of the grant is done in three steps: a) preliminary and final handover of the renovated objects supported by MSIF, b) financial closure of the Grant, c) transfer of the invested amounts from the balance sheet of the NGO to the balance sheet of the LPA.

8.4. Preliminary and final handover of the renovated objects

8.4.1. The NGO together with the LPA will be responsible to organize the process of preliminary and final handover of the renovated objects, according to MSIF procedures. The preliminary handover will take place with the participation of the contractor, local supervisor and beneficiaries, and the MSIF consultants in community development (technical and social issues). The Contractor will correct the faults found in the period of time agreed between parties and specified in the minutes of handover. During the preliminary handover, the minutes of handover – reception are signed, where the contractor's guarantees at the end of the contract are mentioned. The process of final handover will be organized when the guarantee term expires, only by the NGO with LPA.

8.5. Financial-administrative closure of the Grant

8.5.1. The financial-administrative closure of the Grant will be done by MSIF on the base of the copy of the extract from the bank account with 0 balance, and the current and final financial statement, bringing up to date the sustainability plan of the renovated objects with an indication of concrete sources of funding the activities included in the plan.

8.6. Ensuring renovated objects' sustainability

8.6.1. After the final handover of the renovated objects and the financial closure of the Grant Application, the invested amounts will be transferred from the NGO's balance on the local public administration balance.

8.6.2. The LPA will sign a Collaboration Agreement with the NGO regarding the maintenance of the renovated social infrastructure facility and the creation of a Sustainability Fund in this connection.

Section IX. NGOs support at post-implementation stage

9.1 Monitoring of NGO's performances and facilitation at post-implementation stage

9.1.1 The consultants in social issues supervise, verify, provide technical assistance and establish remedy measures in matters concerning the following:

- Monitoring of performances achieved by the NGO in social services development
- Provision of technical assistance in drawing up basic documents for the social services delivery such as: the regulation of social services center, staff structure, terms and references for recruited specialists, supervision forms, beneficiaries files, strategic plan of activities
- Facilitation on the elaboration of strategy for information dissemination and fundraising procedure.
- Provision of supervision and monitoring once in two months of social services
- Carrying out the evaluation procedure with final conclusions and recommendations.

This compartment of the manual will be tuned by an International Consultant (see Part IV of the present Manual).

9.1.2 The MSIF consultants in community development, at the same time, will provide technical assistance to support the social services development process. Facilitation will be provided to the following aspects:

- a) strategy for fundraising,
- b) informational support,
- c) development of network.

PART IV. Participatory Monitoring and Evaluation

1. Community development through Participatory Monitoring and Evaluation.

- 1.1. According with the MSIF's Monitoring Strategy, MSIF will use Participatory M&E as a tool for insurance of sustainability and development of social capital at the community level.
- 1.2. The details of Participatory M&E will be developed in a separate Participatory Monitoring and Evaluation Manual. For this goal, an International Consultant will be hired.

2. Replication of experience and development of partnerships

- 2.1. The Fund organizes and coordinates exchanges of opinions between communities and replication of best practices of community development by: creation and development of a network of the communities that have obtained financial support from MSIF, organization of conferences, round tables with partners, organization of visits to the performing communities, supporting the publication of informative bulletins, elaborating and broadcasting documentary films, topical broadcasting on the national and regional television etc.
- 2.2. MSIF encourages the development of community and inter-communities partnerships by means of supporting subprojects proposed by the community organizations in partnership with the local public administration, businesses, other community NGOs; the subprojects submitted and implemented jointly by a few communities, as well as training the community actors, initiative groups in community partnership, leader and leadership, strategic planning of actions in the community etc.

Part V. Procurement procedures

Section 1. Procurement of services, civil works, goods

1.1. Procurement Management

All procurement under the Pilot Community-Driven Development Project shall be done by MSIF/CBO/NGOs in conformity with the present Operational Manual, the JSDF Grant Agreement for Pilot Community-Driven Development Project and the relevant World Bank Procurement Guidelines.

MSIF/CBO/NGO shall operate as a Procurement and Bid Evaluation Committee and will be in charge of procurement, bid evaluation and contract award decision.

The CBOs/NGOs, having effected the first procurements of goods, consultant services, works will submit for examination and approval to the MSIF Evaluation Board data on the results of these procurements.

During the field visits, MSIF shall review procurements carried out by communities to assess, give advise and correct mistakes and ensure that all procurement activities are carried out in conformity with the Pilot CDD Project Operational Manual and the Grant Agreement.

The World Bank shall also prior review selected contracts as foreseen by the Grant Agreement.

Below, please see a more detailed description of procurement methods.

1.2. Procurement of Consultants

The selection of consulting firms and/or individual consultant shall be in accordance with the JSDF Pilot Community-Driven Development Project Grant Agreement and the WB Guidelines Selection and Employment of Consultants by World Bank Borrowers dated January 1997 (Revised September 1997, May 2002).

Prior Review is needed for:

- (a) each contract for the employment of consulting firms estimated to cost equivalent of \$50,000 or more;
- (b) each contract for the employment of individual consultants estimated to cost the equivalent of \$10,000 or more, the report on the comparison of the qualifications and experience of candidates, and the terms of reference and terms of employment of the consultants shall be furnished to IDA for prior review;

Post Review shall be applied with respect to each contract not governed by previous paragraph.

1.2.1. Procurement of local supervisor

Local Supervisor's services shall be procured in conformity with "Individual consultant" procurement method.

In order to do this, the CBO/NGO will develop the TOR and request expression of interest for the assignment, by publishing an advertisement in the local (county and central) newspapers. The best candidate shall be selected on the basis of references or through comparison of qualifications among those expressing interest in the assignment or approached directly by the NGO/CBO.

The approval of the local supervisor by MSIF shall be done as foreseen in par. 7.2.3 of the present Manual.

Local supervisor's activity shall be ruled by par. 5.2.2. of the present Manual.

1.2.2. Procurement of design company. The procurement of the design firm shall be done according to the Selection based on Consultant's Qualification procurement method. Please see a more detailed description of this method in p. 1.2.3.2.

1.2.3. Other procurement methods for consultant services

1.2.3.1. Least cost selection

This method will apply to audits, where well-established practices and standards exist.

Under this method, a "minimum" qualifying mark is for the "quality" is established. Proposals to be submitted in two envelopes are invited from a short list. Technical envelopes are opened first and evaluated. Those securing less than the minimum are rejected and the financial envelopes of the rest are opened in public. The firm with the lowest price shall then be selected. Under this method, the qualifying minimum mark shall be established, keeping in view that all proposals above the minimum compete only on "cost". The minimum mark shall be stated in the RFP (please see attached as Annex 5 a standard RFP)

1.2.3.2. Selection Based On Consultant's Qualifications

1. MSIF will prepare *Request for Expression of Interest* inviting firms to submit statements of experience and qualifications relevant to the assignment.
2. MSIF will advertise in the newspaper (local or UN Development Business) soliciting interest from Consulting firms to undertake design for groups of

typology. This will provide MSIF with Consulting firm’s qualifications, brochures if any, type of key personnel etc. MSIF will use this material to prepare a short list from all firms who responded to the SPN advertisement. The short list shall include three to six firms.

3. MSIF will submit the *Expression of Interest* documents including short list, TOR and cost estimate to WB for clearance and “No Objection” for all contracts above US \$ 50,000.
4. After receiving WB “No Objection”, MSIF will send the Expression of Interest documents to the short listed firms. For documentation purposes all mail or courier receipts shall be filed in the contract files.
5. MSIF shall form an Evaluation Committee.
The Evaluation Committee shall consist of at least three relevant members.
MSIF may consider the following as members:

MSIF Executive Director
FAD Director
MPD Director
Member Microproject Group
MSIF Procurement specialist
6. MSIF will select one firm most qualified based on their relevant experience and qualifications.
7. MSIF to send RFP (please see attached as Annex 5) to the selected firm requesting combined technical and financial proposal.
8. Reference Par. 1.8 of the RFP *Information to Consultants*, MSIF must follow WB policy on Standard of Ethics during the selection and execution of all contracts.

The Ethics relate to corrupt and fraudulent practices as detailed in Par. 1.25 of the *Guidelines for Selection and Employment of Consultants by World Bank Borrowers dated January 1997*.
9. MSIF Evaluation Committee will review the technical proposal and clarify any technical issues.
10. The Evaluation Committee shall review the financial proposal and determine if it is complete and ensure:
 - (i) If any cost of task(s) are missing
 - (ii) Correct any computational errors
11. MSIF will invite the firm for negotiations which will include:
 - (i) Discussion of technical proposal, work plan, staffing and firm’s suggestions to improve the TOR;

- (ii) MSIF and firm's agreement on the final TOR to be incorporated in the description of services, including adjustment of the financial proposal where appropriate;
 - (iii) Clarification on tax issues and on how to account for them in the Contract.
12. MSIF shall conclude the negotiations with a review of the Draft Contract. Copy of the Draft Contract shall be sent to WB for "No Objection" for all contracts above US \$ 50,000.
 13. If negotiations fail with the first firm, MSIF shall invite the firm with the second most appropriate qualifications.
 14. After receiving WB "No Objection" for the Contract MSIF and the firm shall sign the Contract.
 15. Copy of the final Contract shall be submitted to the WB.

1.2.3.3. Individual Consultants

Individual Consultants are selected on the basis of their qualifications for the assignment. They may be selected on the basis of references or through comparison of qualifications among those expressing interest in the assignment or approached directly by the MSIF/CBO/NGO. Individuals employed by the MSIF/CBO/NGO shall meet all relevant qualifications and shall be fully capable of carrying out the assignment.

1.2.3.4. Technical services

Technical services (publishing of reports, research papers, etc.) to cost less than \$5,000 per contract shall be procured with IDA's prior agreement to suitably qualified technical service contractors after comparison of not less than three substantially responsive price quotation. (Standard IQ attached as Annex 6)

1.3. Procurement of civil works

Works shall be procured by two methods:

- Local Competitive Bidding (LCB)
- Direct Contracting (DC)

LCB is the most preferred method and its procedures will be used for contracts exceeding US \$ **10,000** equivalent.

DC procedures will be used for works valued at less than or equal to US \$ **10,000** .

The procurement methods are described below.

1.3.1. Local Competitive Bidding (LCB) -- Small Works

Threshold: more than \$ 10,000 and not exceeding \$75,000

Review:

- a) **Prior Review** shall be applied for all contracts for works under local competitive bidding procedures estimated to cost the equivalent of \$50,000 or more.
The first contract for civil works under sub-grant procured based on LCB shall be submitted to MSIF for approval.
- b) **Post Review** shall be applied with respect to each contract not governed by previous paragraph.

LCB is based upon basic principles of adequate competition, openness of procedures, transparent and fair and equal treatment of all bidders according to pre-disclosed criteria. The LCB will be the preferred method for procurement for all contracts for civil works or for goods and materials and the sole method for all contracts above US \$ 10,000. The standard procedure to be followed is described below.

All LCB should comply with the following guidelines briefly discussed below. The detailed Procurement Document is developed by communities based on the World Bank procurement guidelines and the sample standard document issued by MSIF (please see attached as Annex 7)

- a) The CBO/NGO with assistance and specific training from the MSIF should establish the terms of the tenders, prepare the various bidding documents, and draft the necessary advertisement and/or invitation to bidders. Advertisements and/or bidding documents will be composed in the Moldovan language. The Sub-Grant Agreement will clearly define the obligations of the NGO/CBO in this regard.
- b) Once approved, the CBO/NGO arranges for advertisement of the tender in the local and if necessary regional and central newspapers and other media. When there are no regional newspapers, established customary practices of advertisement may be followed including the posting of tenders in localities or places where interested contractors will visit.
- c) For every civil works contract the CBO/NGO will call a pre-tender conference for all prospective bidders, not later than 7 days after the bidding documents have been issued. The CBO/NGO will notify all bidders who have obtained bidding documents about the conference. The CBO/NGO will provide any clarifications required at this conference regarding terms and conditions of Contract and technical specification and other details of particular micro-project.
- d) A reasonable deadline for the preparation of bids (21-30 days) should be given, depending on of size of civil works contract (contracts less than \$50,000 should be given 21 days, while those above \$50,000 - 30 days). A date, time and place for the public opening of the bids should be indicated. This should be the same day and time as indicated for the deadline for bid submission. The Head of the CBO/NGO or any other CBO/NGO representative should be named as the contact persons for further clarifications prior to the bid opening date.
- e) The head of CBO/NGO or any other CBO/NGO representative will open and announce the bids in the presence of those contractors who choose to attend at the date and time specified in the documents. Late bids will be rejected.

- f) Bid evaluation should be carried out in two steps: the Bid Evaluation Committee shall conduct a preliminary examination of the bids to ensure:
- Completeness (ITB Cl.10);
 - All sureties are provided (if applicable);
 - No arithmetical errors (unit prices and the amount in words will prevail);
 - Substantial responsiveness.

The Bid Evaluation Committee shall analyze whether the bids are responsive in that they conform to all the terms, conditions and specifications of the bidding documents, without material deviation or reservation. Bidders who have not met all the specified conditions will be declared non-responsive and their bids will be rejected from further consideration.

- a) The second step will be the selection of the contractor. Bids determined to be substantially responsive will be checked by the Bid Evaluation Committee for any arithmetic errors and corrected according to mechanisms provided in the standard Bidding Documents. The Bid Evaluation Committee shall prepare an Evaluation Report and recommend that the contract be awarded to the Bidder whose Bid has been determined to be substantially responsive to the bidding documents and has offered the lowest evaluated Bid. The Bid Evaluation Committee shall conduct the evaluation and comparison of bids in accordance with ITB Clause 22 of the Bidding Documents.
- b) For the first contract and any contracts above \$50,000 for civil works under LCB, the Bid Evaluation Committee shall prepare and submit the Evaluation Report and draft contract to the MSIF for approval. MSIF will review the Evaluation Report and if found satisfactory after no-objection from IDA, an approval to proceed with contracting will be issued to the community.
- c) Following any clearances required under the Sub-Grant Agreement, the award of the contract will be initiated by notifying the lowest evaluated bidder. The CBO/NGO shall notify the successful Bidder with “Letter of Acceptance” of the award and advice that the Bid has been accepted. The “Form of Contract” included in the bidding documents shall be sent to the successful bidder with the Letter of Acceptance. The CBO/NGO shall sign the Contract with the successful Bidder. Upon the successful bidder signing the contract, other bidders will be notified.

1.3.2. Direct Contracting (DC)

Direct Contracting as procurement method for works will be used for below US \$ 10,000.

Review: Prior Review shall be applied to each contract for civil works procured under direct contracting procedures.

For contracts below US\$10,000, MSIF may agree, with IDA’s prior review, with CBO/NGO to hire directly the original contractor to execute the continuing works, without competition. The prices for such a contract will be negotiated based on the

CBO/NGO's estimated budget. As in other Sub-grant Agreements, a detailed bill of quantities will be established and agreed upon.

Prior to the execution of the contract procured under direct contracting, the CBO/NGO will provide to IDA a copy of the specifications and draft contract.

Then the contract shall be signed.

One confirmed copy of the contract shall be furnished to IDA promptly after its execution and prior to the making of the first payment out of the Special Account in respect of such contract.

All evaluation reports shall be accompanied with a summary of the procurement. The description and the amount of the contract, together with the name and address of the successful bidder shall be subject to release by the IDA upon confirmation by CBO/NGO of contract award.

1.4. Procurement of Goods

1.4.1. National Shopping

The procurement of goods under sub-grants and microprojects shall be done through National Shopping.

Threshold: *less than \$20,000 equivalent per contract*

Review:

a) Prior Review shall be applied for the first two contract for goods

b) Post Review shall be applied with respect to each contract not governed by previous paragraph.

1.4.2. NS procedures may be used for procuring goods for sub-grants and microprojects. The NS is applicable for readily available off-the-shelf goods of standard specifications that are small in value. NS procedures will require quotations from at least three local suppliers.

To procure goods, the CBO/NGO will invite, using a standard form of Invitation to Quote (please see attached as Annex 6 to the present Manual), at least three qualified suppliers.

On the day and hour indicated in the Invitation, the CBO/NGO will open the bids and record the information in a Bid Opening Form. Bids will first be evaluated from a technical point of view, to check whether they comply with the technical specifications. Responsive bids will then be evaluated by price. The lowest evaluated bid proposal shall be accepted as winner.

The CBO/NGO will invite the successful bidder and negotiate the contract.

In case of prior review the following procedures shall apply:

- (a) Prior to the selection of any supplier, a report on the comparison and evaluation of quotations received shall be submitted to IDA;
- (b) Prior to the execution of the contract procured under national shopping, the CBO/NGO will provide to IDA a copy of the specifications and draft contract.
- (c) One confirmed copy of the contract shall be furnished to IDA promptly after its execution and prior to the making of the first payment out of the Special Account in respect of such contract.
- (d) All evaluation reports shall be accompanied with a summary of the procurement. The description and the amount of the contract, together with the name and address of the successful bidder shall be subject to release by the IDA upon confirmation by CBO/NGO of contract award.

List of Annexes.

Annex 1. Extract from the minutes of the General Meeting (Representatives Meeting)

Annex 2. Terms of Reference for CDD communities

Annex 3. Terms of Reference for NGOs Grant application

Annex 4. Participatory Monitoring Manual (will be developed)

Annex 5. Standard Requests For Proposals

Annex 6. Standard Invitation to Quote (International and National Shopping)

Annex 7. Standard Bidding Documents

Annex 8. Sample of Grant Application

Annex 1. Extract from the minutes of the General Meeting (Representatives Meeting)

Of the community _____, _____
Name of community *district*

As of _____ 2003

Attended by _____ persons, constituting _____% of the total adult population of the community.

Including _____ women that represent _____% of the total number of participants to the meeting.

AGENDA:

- 1.5. Presentation and discussion of the strategic Plan of social economic development of the village, elaborated by the village Development Committee.
- 1.6. Selection of priority issues to be submitted to MSIF in order to obtain financial support.
- 1.7. Prioritization of the issues proposed for financing within the grant application.
- 1.8. Approval of the community contribution.

DECISION:

I. On hearing the strategic Plan of social economic development of the village _____, the General Meeting (Representatives Meeting) proposed the *Name of village*

following changes:

II. In conformity with the Plan of social economic development of the village for the next 5 years, the General Meeting (Representatives Meeting) has identified the following problems of the village in their priority order to be included in the grant application that will be submitted to MSIF

1. _____
2. _____
3. _____
4. _____

6. _____

Proposal 1 _____ persons voted pro; _____ persons voted against; _____ persons abstained

Proposal 2 _____ persons voted pro; _____ persons voted against; _____ persons abstained

Proposal 3 _____ persons voted pro; _____ persons voted against; _____ persons abstained

Proposal 4 _____ persons voted pro; _____ persons voted against; _____ persons abstained

Proposal 5 _____ persons voted pro; _____ persons voted against; _____ persons abstained

III. The community investment will be _____% of the grant application cost.

IV. In the framework of the Representatives Meeting to mandate the Public Association to organize a referendum in the village _____ before _____
Name of village *date*

in order to consult the opinion of the village population and obtain support for the Decision adopted by the Representatives Meeting.

Chairman of the Meeting _____
Name *signature*

Secretary _____
Name *signature*

Approved: _____
Name of mayor or notary *signature*

Stamp

Terms of Reference

For selection of Community – based Organizations for JSDF grants implementation

1. Background

The Government of the Republic of Moldova, according to its decision of May 19 1997, decided to establish *Moldova Social Investment Fund* (MSIF) as a public autonomous organization. The National Board supervises the MSIF activities, which are implemented by the Executive Office of MSIF.

The two project development objectives are to:

- (iv) help empower poor rural communities by strengthening their capacities to make decisions, organize, and manage; and
- (v) improve the quality of basic social and economic services for poor rural population

Taking into account MSIF's objectives, MSIF is interested in a more active involvement and participation of community members in the process of micro-projects identification and implementation, in the development of community groups procurement and financial management capacities and partnership between different community actors (community organizations, LPA, companies etc.) for sustainable community development. In order to achieve these goals, MSIF will pilot a new project titled "Pilot Community Driven Development" (CDD) financed by a grant from Japanese Social Development Fund (JSDF). The objective of the JSDF will be to pilot-test some of the elements of the community-managed projects and produce lessons to inform the design of the second Social Investment Fund project which is in the pipeline and is scheduled to go to the World Bank Board for approval in 2004. Since the CDD approach has never been implemented in Moldova this pilot CDD project will test different community driven methods and document the lessons for the future project design.

In conformity with its concept and objectives, this Project is oriented towards empowering the communities that have obtained financial support from MSIF, by:

- d. building up community organizations' capacity, in particular those of the Community-based Organizations (CBOs)
- e. subprojects' organizational and financial management to be undertaken by CBOs
- f. development of efficient partnership relations between CBOs , Local Public Administration (LPA) and other community actors.

In order to test the new approaches, MSIF will select most skilled CBOs to implement projects. MSIF announced a competition, in which _____ communities expressed their interest to participate in the pilot CDD project, out of which _____ were included in the short list and invited to participate with a Grant Application. The short list is annexed in Annex 1 (will be completed after pre-selection).

The goal of present Terms of Reference is to describe requirements to CBOs, Grant Applications, further actions and criteria of final selection of winner in the competition.

2. Actions to be conducted

The following main steps will be conducted by communities in order to submit a Grant Application.

- a) A workshop will be conducted with main actors of communities, which were included in the short list. The workshop agenda will include such items as: role of community actors in the Grant Application preparation, organizing focus-groups for community development plan elaboration, foundation of Community Development Committee, methods of monitoring of implementation of community development plans.
- b) Organizing focus groups in communities. These focus groups will be conducted by CBOs and aim to promote the ideas of the CDD and grant implementation, community development plans.
- c) Organization of Strategy Planning workshops (5 days) with elaboration of Community development plan as a final output.
- d) Analysis and discussion of community development plans in focus groups, adjustment of plans to new recommendations.
- e) Organizing the General Community Meeting or meeting of community representatives with discussion of community development plan and selection of most important problems to be solved by means of grant. The GCM will form a Community Development Committee, which will organize the implementation of community development plan.
- f) Approval of Community Development Plan at the Council of LPA.
- g) Preparation of Grant Applications. Detailed requirements are given below in p.3
- h) Submission of Grant Application to MSIF. The Grant Application will contain proposals for less than 75 000 USD, including the community contribution. The requested amount can be revised during the field appraisal of Grant Application.
- i) Participation in the Field appraisal
- j) Gathering community contribution. Community contribution is one of selection criteria, and higher percentage of community contribution is a significant advantage of the CBO in competition.

Remark. Communities, which implements community development plans in collaboration with other MSIF partners (for example, USAID), will have few adjustments of these steps according with the Operational Manuals of partners.

All above steps will be conducted under MSIF monitoring and will be a part of competition.

3. Evaluation of Grant Agreement

Grant Agreement will be appraised by CBOs with assistance of MSIF specialists. CBOs and local public administration representatives will benefit from training by MSIF on “Role of CBO and local mayoralities in the process of evaluation of the Grant Applications”. After the seminar, the CBOs responsible for the implementation of Grant Applications will develop and prepare within two weeks all the necessary documents for the first stage of evaluation, including:

confirmation that the objects are on the Mayorality's balance; confirmation regarding preservation of the statute of a social infrastructure object for a period of 15 years; plan of ensuring objects' sustainability after handover and financial resources that will be available; confirmation from the relevant bodies regarding the salaries of staff activating in the given social service; commitment of the CBO to collect the contribution; guarantee letter from the Mayorality about the collection of community contribution; official permission from the private person whose property will be affected by the realization of the sub- projects; authorizations from relevant institutions for designing and construction of the facility.

The evaluation of Grant Applications will be done in two stages: desk appraisal and field appraisal.

3.1. Desk appraisal The desk evaluation will be carried out by MSIF staff on the basis of the documents submitted in the Grant Application file, by two consultants in community development (technical and social issues) within 10 days since receipt of the documents for the first stage of evaluation. The evaluation of the Grant Applications will be done on the basis of scores to be given for each selection criterion, as follows:

Evaluation criteria	Scores
Technical feasibility of subproject	15
Economic and investment feasibility	15
Community involvement in the process of planning and problems prioritization	20
CBO capacity to implement the Grant	15
Established partnership between CBO and LPA	15
Sustainability concept of subprojects	20

If the accumulated score is higher than 60, the Grant Application will pass to the stage of field appraisal.

3.2. Field appraisal The field appraisal will be carried out only for the Grant Applications that passed the office evaluation. The MSIF consultants (for technical and social issues) will go on field trips to verify the following issues:

- The degree of involvement of social-demographic groups in the process of elaboration of the Strategic Plan of the village social economic development.
- Subproject proposals included in the grant Application represent an integral part of the Strategic Plan of social economic development of the village and are a priority for the village.

- Partnership established between the CBO that submitted the grant Application and the local mayoralty in view of implementation of the subproject proposals included in the grant Application.
- Feasibility of the subprojects included in the grant Application from a technical point of view.
- Feasibility of the subprojects included in the grant Application from an ecological point of view.
- Institutional capacity of the CBO to carry out subprojects included in the grant Application.
- Community capacity to provide the minimal requirement of 15% investment of the grant Application cost.
- Community capacity to ensure sustainability and development of subprojects when MSIF funding ends.
- Identification together with the community members of the risks to which efficient grant implementation may be subject.
- Elaboration of measures to abate possible risks.

The field appraisal has a participative nature and is done together with the CBO that has submitted the Grant Application, and the representatives of the local mayoralty. Based on results obtained in the field, the ranking described in the 3.1 will be reviewed and recomputed. This ranking will also be included in the final selection of winners.

4. Criteria of final selection of winners.

Based on submitted documents, the MSIF's selection commission will determine the CBOs, which will be awarded grants. The following criteria will be use for selection the Grant Application to be implemented:

Nr	Criteria	Weight
1	CBOs skills – the re-weighted total points (to maximal 20) received by CBO in the pre-selection for short listing. For example, in the pre-selection (see Annex 1) a CBO had a total of 72 points, the re-weighted score is $(72*100)/20=14.4$ points	20
2	Participation in elaboration of Community Development Plan – level of coverage of all community actors in elaboration, level of activity of workshop participants. The evaluation will be done by external consultants (Contact Center and USAID representatives)	20
3	Quality of Grant Application – re-weighted total points (to maximal 20) received by grant application in the desk appraisal and field appraisal (see p. 3) . For example, if in the appraisal a Grant Application had a total of 72 points, the re-weighted score is $(72/100)*20=14.4$.	20
4	Community contribution percentage – the highest community contribution percentage P_{max} is ranked as maximal $R_{max}=40$ points, the others rankings R_i are computed depending on percentage P_i as $R_i=R_{max}*p_i/P_{max}$. For example, if the maximal percentage proposed is 25%, an i -th CBO, which gathered 15% of contribution, will be	40

	ranked with $R_i=40*15/25=24$ points.	
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All CBOs/ Grant Applications will be ranked according with total points in an ordered list. Grants will be awarded to first N CBOs in the list depending on the available funds. In the future, if some communities will feil to implement the Grant Application and will be disqualified by MSIF, the next CBO/community from the Ranking List with the highest score will be selected.

Annex 3 ToR for NGOs implementing new innovative projects

Annex 4. Participatory Monitoring Manual (will be developed and attached)

Annex 5. Standard Requests for Proposals. Selection of Consultants

Standard Requests for Proposals. Selection of Consultants The World Bank, Washington, D.C. - July 1997, Revised April 1998 and July 1999 – will be attached

**Annex 6. Documents for PROCUREMENT OF GOODS, INVITATION TO QUOTE
(INTERNATIONAL OR NATIONAL SHOPPING)
(will be attached)**

**Annex 7. STANDARD BIDDING DOCUMENTS for Procurement of Works
(will be attached)**

MOLDOVA SOCIAL INVESTMENT FUND

GRANT APPLICATION

BENEFICIARY ASSOCIATION

ADDRESS OF THE GRANT APPLICANT

County _____

Sector _____

Mayor's Office _____

Village (City, Town) _____

DATA OF GRANT REQUEST SUBMISSION

NAME OF SUBPROJECT
1.
2.
3.
4.
5.

TYPE OF SUBPROJECTS:

- | | |
|---|--|
| <input type="checkbox"/> social infrastructure | <input type="checkbox"/> educational programs in the sphere of education and health care |
| <input type="checkbox"/> economic infrastructure | <input type="checkbox"/> alternative services for disfavoured groups |
| <input type="checkbox"/> sanitary system and environmental urban plan | |

Direct beneficiaries of the 4th subproject : _____
 number _____ % of total
 population

- g. Women _____
- h. Disfavoured persons, including:
 - Children at risk _____
 - Teenagers at risk _____
 - Solitary elders _____
 - Other disfavoured persons, including _____

Direct beneficiaries of the 5th subproject : _____
 number _____ % of total
 population

- i. Women _____
- j. Disfavoured persons, including:
 - Children at risk _____
 - Teenagers at risk _____
 - Solitary elders _____
 - Other disfavoured persons, including _____

1.5. Expected implementation period of grant _____

1.6. Budget of the grant request

Subproject 1

- 1. Estimated cost _____ lei
- 2. Estimated cost for one direct beneficiary _____ lei
 Detailed budget per expenditure items is annexed
- 3. Investment of the applicant

Total _____ lei _____ % of the subproject cost

including:

In kind, equipment _____
 lei _____ description

In unqualified labour _____
 _____ lei _____ description

In cash _____
 lei

Subproject 2

- 1. Estimated cost _____ lei
- 2. Estimated cost for one direct beneficiary _____ lei

In unqualified labour _____

lei

description

In cash _____

lei

Subproject 5

1. Estimated cost _____ lei

2. Estimated cost for one direct beneficiary _____ lei

Detailed budget per expenditure items is annexed

3. Investment of the applicant

Total _____ lei _____ % of the subproject cost

including:

In kind, equipment _____

lei

description

In unqualified labour _____

lei

description

In cash _____

lei

1.7. The expected outcome resulted from grant's accomplishment (describe in quantitative and qualitative measures what changes you expect as result of grant and subproject's implementation)

II. Beneficiary Association

1. Name of Beneficiary Association

2. Registration Number and Place

3. Registration Date

4. Legal Address

5. Bank details of the Bank:

5.1. Name of the Bank

5.2. Bank Account

5.3. Fiscal Code

6. Last and First Name of the Chairman

Address _____ **Telephone Number**

7. Last and First Name of the bookkeeper

Address _____ **Telephone**
Number _____

List of documents which must be annexed the Grant Request

1. Extract from the minutes of focus group discussions and participants' list
2. Extract from the minutes of the General Meeting of the village and the participants' list
3. Decision of the Communal Council regarding the creation of the Community's Development Committee
4. Copy of the strategic Development Plan of the Community approved by the Communal Council
5. Decision of the Communal Council regarding the approval of the Community's Strategic Development Plan
6. Sustainability plans for the first 2 years after the rehabilitation of each objective, with indication of financial sources

Grant estimated Cost _____ lei

Including:

The 1st subproject Cost

Estimated cost _____ lei

Estimated cost for one direct beneficiary _____ lei

#	Work Item Description	Measure Unit	Quantity	Unit Price			Total cost of works	Including Community investment
				Total	Including			
					Cost of labor	Cost of equipment		
1								
2								
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40									
41									
42									

The 2nd subproject Cost

Estimated cost _____ lei

Estimated cost for one direct beneficiary _____ lei

#	Work Item Description	Measure Unit	Quantity	Unit Price			Total cost of works	Including Community investment
				Total	Including			
					Cost of labor	Cost of equipment		

1									
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39									
40									
41									
42									

The 3th subproject Cost

Estimated cost _____ lei

Estimated cost for one direct beneficiary _____ lei

#	Work Item Description	Measure Unit	Quantity	Unit Price			Total cost of works	Including Community investment
				Total	Including			
					Cost of labor	Cost of equipment		
1								
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41									
42									

The 4th subproject Cost

Estimated cost _____ lei

Estimated cost for one direct beneficiary _____ lei

#	Work Item Description	Measure Unit	Quantity	Unit Price			Total cost of works	Including Community investment
				Total	Including			
					Cost of labor	Cost of equipment		
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The 5th subproject Cost

Estimated cost _____ lei

Estimated cost for one direct beneficiary _____ lei

#	Work Item Description	Measure Unit	Quantity	Unit Price			Total cost of works	Including Community investment
				Total	Including			
					Cost of labor	Cost of equipment		
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Operational Cost

#	Expenditures Item	Price/unit	# Units	Total cost	Investment of the applicant

Total grant Cost _____

Including:

The 1st subproject Estimated Cost _____

The 2nd subproject Estimated Cost _____

The 3th subproject Estimated Cost _____

The 4th subproject Estimated Cost _____

The 5th subproject Estimated Cost _____

Operational Costs _____

Beneficiary Association Chairmen _____

Beneficiary Association Bookkeeper _____