

# Intercommunity Cooperation a New Challenge for Organizing Local Public Services in Republic of Moldova

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## ABSTRACT

Some local public authorities have reached a high level in rendering/ providing public services to citizens, where the other face provocations. One of the reasons for such a difference may be that the local public authorities have acknowledged the value of best management practices as a mean to show efficiency in providing services and servicing appropriately residents.

The exchange of ideas and best practices are defining in organizing and efficient operation of public services. This strategy should not be generalized: as one thing producing positive effects in a locality, could fail elsewhere. But it is recommended to learn lessons from others' experience and to share information, data in order to find solutions appropriate to that specific situation, time and place.

**KEYWORDS:** *association, cooperation, intermunicipal cooperation, public services, public works.*

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## 1. Introduction

Intermunicipal cooperation is a new tool for the Moldovan local public administration that involves cooperation of more territorial-administrative units to jointly organize local public services.

Intercommunity cooperation is a high working instrument for the process of decentralization, regional and local development, and at the same time giving the local public authorities with actual opportunities to optimize their activities and to improve the quality of services provided, by joining efforts of more communities.

The theory of public services was defined and developed in time due to diversification of society's general needs in parallel with the enhanced development of the state's functions, namely, to secure people's general welfare. Gradually, the public service served as background for the operation of the public administration system.

Human needs are too many and different and represent the level of development of a society and the level of culture of each person. Public services development was also

fostered by the technical progress, which resulted in new necessities for people, necessities that the public authorities tried to satisfy based on general interests. To achieve these general interests, the state involves in satisfying some needs by directly providing some especially important or critical public services. Or on the contrary, the state is involved in stimulating and supporting the private sector. Despite legal constraints imposed, public services replicated in all areas of social life.

Public services are part of daily life of citizens and their development have a direct influence on people's living standards. Certainly, public services have been organized to satisfy citizens' needs. If to take a look back, you could notice that public services include daily concerns that marked certain needs such as: the need for electricity, need for running water, need for gas, need for transportation, etc.

The responsibility of public authorities related to public services is to define the mission of public services, to set requirements for providing them and to supervise this process. Once set, that public authority may on its own guarantee the providing of that public service or may appoint a service provider, under public or private status, for a limited or unlimited period. Thus, the organization of public services was adapted to all social, economic and technical changes.

One could notice that the number of public services provided by private providers has increased in most countries in the world, those states showing their will to cease undertaking financial commitments related to public services. Participation of private businesses, legal entities of private law in organizing and providing public services is not a new phenomenon, a classical example being the institution for granting public services. Neither the state, nor the communities have the possibility to satisfy the general interests as appropriate as it should be. Therefore, everything that is needed but cannot be immediately solved by the public authorities, shall be settled with the private businesses' intelligence, awareness, work, devotion and generosity. Situations when a private entity is authorized to provide a public service are in abundance and different due to the origin, length of service and nature of public services.

For a few decades we all assist to other path of participation of legal entities of private law in solving public matters, namely the public-private partnership.

The public-private partnership is a concept making possible cooperation between the central and/or local public administration authorities with the private sector in order to achieve the objectives / public services set by harmonizing their specific interests. Over the past few years, it was worldwide noticed an unprecedented increase in participation of the private sector in financing the development and modernization of the technical and urban infrastructure of settlements.

Presently, it becomes more and more realistic the trend that public authorities empowered to satisfy the public interest to adopt as solution the cooperation with other public authorities, partners of public law/partners of private law. How the public administration answers to public demands depends on its endowment with equipment and instruments necessary to achieve the goals set in order to satisfy the public interests. In this context, *association* is the mechanism through which a string of desiderata in the area of *public services, public works, public property management* could be successfully achieved<sup>1)</sup>.

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<sup>1)</sup> Alexandru, I., 2008, *Tratat de administrație publică*, Bucharest: Ed. Universul Juridic.

## 2. Association and intermunicipal cooperation

Intermunicipal cooperation may be implemented when two or more local public authorities agree to work together to carry out their duties and tasks in order to obtain mutually advantageous benefits.

Obviously, intermunicipal cooperation seems to be an easy option. But it may be complex and involves risks. Respectively, it needs an enhanced preparation.

But, at the same time, it has the potential to offer significant advantages to all small and big territorial administrative units.

The local public authorities have more competences, among which they are empowered to organize the providing of services to citizens, to promote the development of locality and to carry out other administrative tasks. Obviously once the local public authorities in office they try to make as many investments as possible in infrastructure and to provide qualitative public services. But there are public services that are not provided by the territorial administrative units, though the local public authorities have such competences or provide them inefficiently. Very often a local public authority on its own does not have the authority and resources necessary to provide such services. Most of these authorities are too small and have no capacity to cope with the increasing needs of residents. Providing/rendering services in such localities is not attractive for foreign investors<sup>2)</sup>.

Intermunicipal cooperation is a tool to jointly provide qualitative and efficient local public services. In fact, by joining the efforts of two or more territorial administrative units, it could be provided the necessary conditions for organizing and funding qualitative public services.

The right of association of territorial administrative units is set out in art. 14 paragraph (2) letter j) of the Law on local public administration no. 436 of 28.12.2006, according to which the local council decides, within the legal limits, to associate with other local public administration authorities, including from abroad, to carry out some public works and services, to promote and to protect interests of the local public administration authorities, and to cooperate with local and foreign economic operators and non-governmental organizations in order to carry out joint actions and works.

Based on these local provisions, the *association* is that mechanism through which a string of desiderata in the area of *public services, public works, public property management* could be successfully achieved. It becomes more and more realistic the trend that the local public authorities having the mission to satisfy public interest adopt the solution of intermunicipal cooperation.

Subsequently, the intermunicipal cooperation was promoted widely through national sectorial policies designed to harmonize the legal framework to the European standards and the EU *acquis*, and to execute the commitments taken by the Republic of Moldova by signing the Association Agreement with the European Union<sup>3)</sup>.

For instance, the Waste Management Strategy of the Republic of Moldova for 2013-2027 provides for the regionalization of waste management by dividing the country into 8 waste management regions. This documents recommends the local public administration authorities to set up waste management associations (based on the experience of the

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<sup>2)</sup> Vasile, A., 2003, *Prestarea serviciilor publice prin agenții private*, Bucharest: Ed. All Beck.

<sup>3)</sup> Bulat, V., *Conceptul de cooperare intercomunală*, in *Revista Administrarea Publică*, no. 1/2013.

Waste Management Association of the South Development Region) at regional level, the goal of which will be to jointly implement public investment projects in that area or region, in compliance with the integrated regional waste management strategies.

The sector of water supply and sewerage in Republic of Moldova has got through significant transformations over the past decades, sometimes having a negative impact on the quality of life and health of consumers. Reason for which it was necessary to adopt a national policy for redressing this sector by taking over the best European practices.

The policy adopted by Republic of Moldova in this respect provides for the regionalization of water supply and sewerage public services, which are sequenced and dispersed at present.

Regionalization means to reorganize two or more local operators – usually municipal ones – into one single operator. Respectively, those local councils will not manage more than one operator each, functioning at the level of that territorial administrative unit, but they will take part in a commercial society with status of regional operator that will serve certain participating towns and communities. Thus, instead on few operators (economic agents) with small businesses, one single operator shall operate and serve all associated communities.

Respectively, the Water Supply and Sanitation Strategy (2014-2028) stipulates that *“the local public administration authorities shall associate in intercommunity structures to jointly develop water supply and sanitation services”, and “Apa-Canal enterprises shall be reorganized, shall expand their area of providing water supply and sanitation services to other territorial administrative units, by becoming models of economically viable companies”.*

At last, but not at least, the 2016-2020 National Regional Development Strategy sets expressly the principle of regionalization of public services in the area of solid waste management, water supply and sewerage by implementing the intercommunity cooperation mechanisms (measure 1.2.). Among the activities to be carried out: raising awareness of communities regarding the intercommunity cooperation; working-out and approval of an Action Plan regarding the decentralization and regionalization of water supply and sewerage services; setting the criteria of intercommunity cooperation and regionalization in the areas of water supply and sewerage, and solid waste management<sup>4)</sup>.

Regionalization of water supply and sewerage public services, and of the solid waste management was initially launched in settlements that benefited from international financial assistance, targeting the awareness of communities regarding the implementation of such mechanisms, concept promotion and strengthening these mechanisms.

### **3. Projects analysis**

The first project in Moldova designed to regionalize the water supply and sewerage services titled: “Development Program of Water Supply and Sewerage Companies”, was successfully implemented by six such companies in Floresti, Soroca, Orhei, Hancesti, Leova, Ceadar-Lunga and other 31 localities from the mentioned 6 districts. To implement the project, the participating territorial administrative units committed to extend the

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<sup>4)</sup> *Organizarea și funcționarea autorităților publice locale în Republica Moldova: competențe, structură și resurse*, available at: [http://www.viitorul.org/files/library/POLITICI\\_PUBLICE\\_APL.pdf](http://www.viitorul.org/files/library/POLITICI_PUBLICE_APL.pdf) (accessed on 20 September 2020).

activities of the existing municipal companies to neighbouring communities and they became Regional Companies. Thus, in 2011, the municipal enterprises from Soroca, Orhei, Hancesti, Leova and Ceadar-Lunga were reorganized into joint-stock companies with integral share capital of the territorial administrative units, and those territorial administrative units have delegated the management of water supply and sewerage to the respective operators.

“APA CANAL NISPORENI” joint-venture company was created in Nisporeni District, having 4 founders – the Nisporeni, Grozesti and Varzaresti territorial administrative units and the Nisporeni District Council. All territorial administrative units transferred the right and duty to supply/provide the water and sewerage service to this regional company, by signing in this respect the management transfer right agreement. The project, under which technical/financial assistance provided, was implemented by the Austrian Development Agency (ADA), with the support of the European Union and SDC, the National Environment Fund and local funds.

As to solid waste, the most significant example to be mentioned is the intermunicipal cooperation of 21 territorial administrative units from Soldanesti District, Soldanesti District Council and one territorial administrative unit from Rezina District, which established the Joint-Stock Company “Salubritate Soldanesti”. This operator collects, transports, sorts and stores the household waste, by providing sanitation services to about 10,000 consumers<sup>5)</sup>.

Other 10 intercommunity cooperation projects in the field of public services – waste collection and evacuation, street lighting, road maintenance and snow clearing, land furnishing and capital repairs – provide for the purchase of multifunctional equipment that will serve more localities, as well as the optimization of those companies in order to secure their productiveness. Grants were provided within the Joint Integrated Local Development Program (JILDLP), implemented by UNDP and UN Women, with the financial support of Denmark<sup>6)</sup>.

Examples of providing/rendering local public services jointly by more territorial administrative units may be seen in the key regions of Cahul and Ungheni.

The Modernization of Local Public Services in Republic of Moldova Project, implemented by the German International Cooperation Agency (GIZ), has launched a pilot project in Cahul District designed to expand the scope of the existing operator, namely the Municipal Enterprise “APACANAL CAHUL” to neighboring communities: Rosu Village, Crihana – Veche Village and Manta Village. The status of regional operator was acquired by reorganizing the Joint-Stock Company “APĂ-CANAL CAHUL” (the sole shareholder being Cahul Town) and by delegating the management of the water supply and sewerage services by all territorial administrative units, by signing the services management delegation agreement. The procedure of increasing the share capital, by issuing new share to be purchased by the Rosu, Crihana Veche, Manta territorial administrative units and the Cahul District Council has not been completed yet. The expanding of the area of operation is

<sup>5)</sup> UNDP, 2015, *Ghidul autorităților publice locale. Cooperarea intercomunitară*, Chișinău: Bonns Offices.

<sup>6)</sup> Josu, V., *Gestionarea spațiilor verzi ale localităților Republicii Moldova*, available at: [https://www.unece.org/fileadmin/DAM/hlm/projects/UNDA-9th\\_tranche/Documents/Moldova/Sep\\_2015\\_Presentation\\_Day\\_1/1.3\\_Prezentare\\_VJosu.pdf](https://www.unece.org/fileadmin/DAM/hlm/projects/UNDA-9th_tranche/Documents/Moldova/Sep_2015_Presentation_Day_1/1.3_Prezentare_VJosu.pdf) (accessed on 25 September 2020).

under way. Presently, S.A. "APA-CANAL CAHUL" supplies/provides water supply services to Cahul Town, Rosu Village, Crihana – Veche Village, Manta Village, Lebedenco Village, Alexandru Ioan Cuza Village.

Another one rarely organized through intermunicipal cooperation is the Volunteer Rescuers and Firefighters Service. This service is organized through the intermunicipal cooperation of three territorial administrative units, namely: Colibasi Village, Brinza Village and Vadul lui Isac Village.

There are projects in the Cahul key region submitted for funding. For instance, the Baurci-Moldoveni Village has submitted an investment project to "Ma implic" Project (I get Involved Project), having as ground the intermunicipal cooperation between the Baurci-Moldoveni Village, Zirnesti Village and Cucoara Village; the district project "Solid Waste Management in Cahul District" is implemented in partnership with 8 territorial administrative units from Cahul District.

An Intercommunity Cooperation Memorandum between 9 territorial administrative units from the Ungheni District was signed, its final goal is to create favourable conditions for developing intercommunity services to modernize road infrastructure, to develop and to improve public transportation services; to regionalize and to improve water supply and sewerage services; to expand and to modernize the selective waste collection service; environment protection and to promote tourism potential in the region; to develop cultural, social services and to promote healthy life style; to expand and to modernize public lighting; to improve other local public services.

The project "Intercommunity cooperation for better public transportation in communities from Ungheni District", financed by My Community Program, is under way. The project's goal is to build public transport stations in the Municipality of Ungheni and 8 territorial administrative units nearby (in whole 20 localities).

Another project "Partnership against waste for green rural areas. The project partners are: Tskaltubo Municipality (Georgia), REC Caucasus Armenia, Ungheni City Hall, Association Tehnopol Galati, Union of Scientists from Imereti "Spectri" (Georgia). During the project, there will be set collection points in order to show how to sort plastics and paper in 5 rural areas from Ungheni District, aiming to increase the capacities of rural communities to implement the 3R principle for waste management.

In 2016, a Memorandum of understanding on regionalization of water supply and sewerage services was signed between the Ungheni City Council and Ungheni District Council.

Other services organized by the Municipality of Ungheni jointly with other territorial administrative units were not mentioned. But the municipal operators also supply/provide public services to neighboring communities: Municipal Enterprise "Apă Canal Ungheni" operates in Zagarancea and Semeni villages; SRL "AVE Ungheni" – Zagarancea, Sculeni, Semeni, Valea Mare, Buzduganii de Jos, Buzduganii de Sus, Petrești, Morenii Vechi, Floreni, Gherman villages.

As to Agronomovca Village it is planned to launch jointly with Pirlita Village a project for the construction of a firefighter's station; to build the Busila-Negurenii Vechi aqueduct.

## 4. Conclusions

**Based on the above-mentioned, we can declare that over the past decade** the intermunicipal cooperation in Republic of Moldova started up: both through legal readjustment and by putting into practice. Based on the experience of local public authorities that implemented such activities, one can learn, regulate, avoid mistakes in order to implement successful projects.

Intermunicipal cooperation may improve the quality of public services and their promotion at regional level could optimize the use of resources and modernize how services are provided. The new European reality means optimizing costs and regionalizing services, and the intercommunity cooperation seems to be the only reliable solution in preparing the local public authorities.

This opinion is also shared by the local public authorities in the key regions of Cahul and Ungheni. Representatives of territorial administrative units voiced mainly that some public services (water supply, sewerage, sanitation) could be organized jointly with more territorial administrative units. An officer in charge at the Ungheni City Hall said that considering those possibilities to organize public services by neighbouring rural communities are limited, but there are already in the municipality operators able to expand their coverage and variety of services provided, it would be great if some services could be organized jointly by more settlements. Organizing services jointly with the municipality authorities also increases the possibility to attract foreign funds to implement intercommunity services development projects.

Disadvantages would be the physically worn-out infrastructure (roads, networks); no development strategies at the level of rural settlements; limited financial resources by rural communities.

As to the legal viewpoint, a constraint would be the legal framework regarding the association of territorial administrative units in order to workout regional development projects, the supply/providing of public services under the umbrella of Intercommunity Development Associations. The association of more territorial administrative units to develop jointly public services meets the need to balance the level of development of territorial administrative units and supposes the implementation of the principle of solidarity as one of the fundamental values of the European Union that produces positive results for consumers.

An Intercommunity Development Association is a cooperation unit with the status of legal entity, non-profit, established in line with the law by two or more territorial administrative units to jointly implement regional development projects or to jointly provide public services.

The Intercommunity Development Associations are one of the institutional elements of the policy of regionalization of water supply and sewerage services set out in the Order of the Environment Ministry on the approval of the Concept on the regionalization of the water supply and sewerage public service no. 122 of 04.12.2015.

The Waste Management Strategy of Republic of Moldova for 2013-2027, the Waste Law no. 209/2016 also provide for the creation of Waste Management Associations at regional

level, which are to jointly implement public investment projects at community and regional levels, in compliance with the integrated regional waste management strategies.

Presently, a group of MPs have registered a legislative initiative with the Parliament of the Republic of Moldova. The respective draft law sets how an Intercommunity Development Association is to be established, organized, operating and funded, it lists the responsibilities provided to it by the territorial administrative unit etc. We consider that the Government of the Republic of Moldova will support this bill and the central and local public authorities, non-governmental organizations will undertake any efforts to standardize the Intercommunity Development Associations.

Intermunicipal Cooperation in the Republic of Moldova has a great potential for development, being worked out an appropriate legal framework, being set as development policies at national level and having possibilities for implementation in the territorial administrative units of the Republic of Moldova. Presently, activities should be focused on making aware communities of the benefits of implementing the intermunicipal cooperation, strengthening the capacities of local public authorities and providing assistance in carrying out those activities.

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