

## FRESH START

for Aid Management  
Platform in Moldova



At the beginning of the year, the Ministry of Finance (MoF), together with the Project Preparation Facility (PPF) Project, presented an upgraded version of the Aid Management Platform (AMP) to Moldova's Development Partners (DP) during an online workshop. At the workshop, new functionalities and enhanced features of the upgraded AMP were presented to the DPs; and the DPs were invited to log in on a test environment and use the features to get a better understanding of the improvements and refinements.

The workshop was conducted on the 8th anniversary of the AMP's launch in 2014. With support from UNDP, using software developed by Development Gateways Inc., the AMP went live on 27 January 2014. It is used for collecting, analysing, monitoring, and reporting on external assistance. In 2019, the ownership rights of the AMP were transferred to the MoF; and the responsibility for the technical maintenance of the system was transferred to the Centre for Information Technologies in Finance.

Over the course of 2022, the MoF, with the support of the PPF Project, upgraded the AMP to the latest release available and worked on improving usability and functionality.

### Pilot Session on Aid Management Platform brings transparency to aid management in Moldova

*one step further*

At the end of the year, the pilot session of the new and upgraded Aid Management Platform was held, gathering representatives from the Development Partners including Deutsche Gesellschaft für Internationale

Zusammenarbeit (GIZ), Czech Development Agency, Slovak Agency for International Development Cooperation, Swiss Agency for International Development Cooperation, United Nations Development Programme (UNDP), UN Population Fund and the EU Delegation to Moldova.

During the session, the invited participants had the opportunity to get familiar with the new functionalities, provide feedback, and see first-hand the new improved performance.

In his opening speech, the State Secretary from the Ministry of Finance Ion Gumene highlighted the importance of the AMP as the main government tool showcasing the volume and significance of foreign development assistance in Moldova.



PPF Project IT expert Leonidas Crisciunas demonstrated first-hand to the participants the new features in comparison to the old version while PPF External Assistance expert Rachel Mac Gowan stressed the importance of displaying accurate information on AMP through regular updates of the platform.

Feedback from the session is reflected on the platform and the Go-Live date was scheduled for the end of December.

#### DEVELOPMENT PARTNERS

The new AMP will facilitate the work of the Development Partners who, as main platform contributors, are responsible to regularly input data and ensure the information displayed is always up-to-date, reliable and accurate.

#### MORE TRANSPARENCY

Transparency and good data underpin the principle of mutual accountability. It ensures that all stakeholders are transparent in their co-operation and hold each other accountable. Using the AMP, the public (civil society organisations, private sector actors, media and journalists, third level students etc.) has access to good data on external assistance projects and programmes.

#### AID MANAGEMENT

The AMP is a valuable tool for both the Government and the DP community to better understand the overall volumes of international aid being channelled throughout the country. It helps to improve resource allocation, planning, aid harmonisation, and the alignment of resources with country priorities.

# EUROPE DAY 2022

## TWO SURVEYS TESTING BASIC ECONOMIC/FINANCIAL KNOWLEDGE ON MOLDOVA AND THE EU

On the occasion of the Europe Day 2022 celebrations, the PPF Project team conducted two mini surveys on basic economic/financial matters concerning Moldova and the EU. The purpose of this initiative was to test the knowledge of basic economic and financial matters pertaining to Moldova and to the EU.

Two target groups were selected; one comprised of university students through an online survey; and the second was the general public through people participating in the European Village event in Chisinau.

### *Results of the surveys*

# 01

The survey for university students was rolled-out online between 9-13 May and contained ten multiple choice questions. Overall, 73 students from the Moldova State University, the Academy of Economic Studies of Moldova, the State Agrarian University of Moldova, the Technical University of Moldova, the State University from Komrat and the Dunarea de Jos University from Galati participated in the survey.

The results of the survey revealed 8% of respondents with 9 correct answers, while 27% provided 8 correct answers, 30% with 7 correct answers and 20% with 6 correct answers. Upon completion of the online survey, all respondents received an email with the correct answers. The top achievers were invited to a small awards ceremony providing them with the opportunity to interact with officials from the EU Delegation to Moldova, the Ministry of Finance, and the PPF Project team. The event took place in June and was hosted by the Ministry of Finance.

# 02

The second mini survey was carried out during the European Village event organised in Chisinau on 14 May. EU-logo gifts were handed out to the general public upon completion of a mini survey. Members of the PPF Project team facilitated the process by assisting the members of the public to complete the survey.

The survey contained five multiple choice questions on basic economic/financial matters concerning Moldova and the EU support provided to the country. The PPF Project received 200 responses to the survey.



## ONLINE QUIZ AWARDS CEREMONY

To mark the successful completion of the online quiz competition offered to students of Moldovan universities by the PPF Project, an awards ceremony was held at the Ministry of Finance on the 22nd of June. The ceremony was chaired by Ion Gumene, State Secretary of the Ministry of Finance.

The students achieving the highest scores in the online quiz competition were invited to the ceremony. Iurie Pashinski, Director of Institutional Management Directorate of the Ministry of Finance, made a presentation of the volunteering, internship and employment opportunities at the Ministry of Finance as well as the process of recruitment of engagement. In his presentation, Ion Gumene emphasised the importance of the Ministry of Finance in public governance and encouraged the students to consider employment in the public sector of Moldova and the Ministry of Finance.



Following the presentation, the students had the opportunity to raise questions and a lively exchange took place with the officials of the Ministry of Finance in the panel, as well as with Josip Juric the Programme Manager responsible for the PPF Project at the EU Delegation to Moldova, and with the PPF Project team. At the closing of the ceremony, students were given certificates of completion and EU-logo gifts.



# CAPACITY BUILDING

## Trainings

### PUBLIC FINANCIAL MANAGEMENT

The PPF Project team designed and delivered a specialised training course on Public Financial Management (PFM) for the External Assistance Directorate (EAD) team of the Ministry of Finance. The training took place on 3 and 4 March.

The training course was designed to deepen the understanding of the EAD on PFM systems and discuss key issues that concern the area of external assistance management.

The training course covered the entire PFM cycle: strategic planning, budget preparation, budget execution, accounting & reporting, external audit & parliamentary scrutiny, and policy review. The training method was interactive using practical exercises



adapted to the actual Moldovan PFM systems and active engagement by the EAD team participants. The course was delivered by the PPF Project Team Leader Yiannis Hadziyiannakis.



On 9-11 November, the PPF project team delivered a training course on the EU Budget Support Instrument to the participants from the External Assistance Directorate, Ministry of Finance.

### EU BUDGET SUPPORT INSTRUMENT

PPF Project expert Gnel Sedrakyan presented the conceptual and operational framework of Budget Support, and the specific procedural requirements of the European Union. During the course the participants were involved in interactive discussions and short exercises.

The course was structured in 5 modules: Introduction to Budget Support, Budget Support Cycle of Operations, EU Budget Support eligibility criteria, EU Budget Support disbursements and indicators, and Preparing and implementing EU Budget Support programmes.

### COSTING OF PUBLIC INVESTMENTS PROJECTS

The training course on Costing of Public Investment Projects was designed and delivered by the PPF experts to participants from Moldelectrica state enterprise, National Agency for Energy Regulation (ANRE), Energy Efficiency Agency and the Moldova Energy Projects Implementation Unit (MEPIU) on 12-14 April in Chisinau.

Later the PPF Project expanded its reach at the regional level in Nisporeni raion, where the participants from the Nisporeni Municipality and



Rayon Council benefitted from this training on 14-16 September.

The course aimed at improving the participants' ability to cost capital investment projects. It was structured in 6 modules: Cost classifications, terms and concepts, Marginal and absorption costing, Standard costing, Variance analysis, Relevant costs for decision making and Costing for capital project.

The PPF Project experts Irina Grigoryan and Eugenia Busmachiuc who delivered the training received positive feedback from the participants at the end of the training.



# CAPACITY BUILDING

## Trainings



A training course in Financial Analysis & Risk Assessment was delivered to Moldelectrica state enterprise, National Agency for Energy Regulation (ANRE), Energy Efficiency Agency and the Moldova Energy Projects Implementation Unit (MEPIU) by the Project team on 29–31 March in Chisinau.

PPF Project experts Constantinos Kyriakopoulos and Daniela Cotorobai presented modern tools and methods for performing financial analysis and risk assessment and involved the participants in short exercises to enhance their practical understanding of the subject matter.

## FINANCIAL ANALYSIS AND RISK ASSESSMENT

The course was structured in 6 modules: Cash flow analysis and performance metrics, Applications of cash flow analysis to bond and stock valuation, Capital structure and financial ratio analysis, Capital asset pricing model and cost of capital, Introduction to risk modeling and Risk classification and risk mitigation.

The training was also delivered in Nisporeni on 21–23 September for participants from the Nisporeni Mayoralty and Raion Council.



## PARTICIPATION OF THE PPF PROJECT TEAM AT THE INAUGURATION OF THE PHOTOVOLTAIC PLANT IN NISPORENI

At the invitation of the Nisporeni Mayor, the Project experts participated at the inauguration ceremony of the Nisporeni photovoltaic plant held on 22 September.

It is the first photovoltaic plant with a capacity of 800 kW for Nisporeni Municipality needs. The plant was installed and put into operation by a Moldovan company in collaboration with the Nisporeni Municipality and the support of a Danish private investor.

PPF Project experts Spyros Valatas and Constantinos Kyriakopoulos represented the PPF Project at this event. Our team welcomed the photovoltaic plant project as an opportunity to build further on the implementation of the energy policy objective of the Moldovan Government to increase the renewable energy sources to 30% of total electricity consumption by 2025.

As part of Component 3 – Enhancing the capacities of the line ministries in the management and implementation of projects financed from external sources, the PPF Project team offers, amongst others, support in assisting selected public

institutions in identification of public investment projects on the basis of strategic priorities. The PPF Project team experts prepared a technical note on the Energy Sector Policy and Investment in Moldova. The analysis provided a comprehensive analysis of the electricity and gas markets, described the current challenges and key issues faced by the Moldova's energy sector, and discussed the prospects of investing in energy infrastructure.





# THE PROSPECTS FOR PRIVATE SECTOR PARTICIPATION IN INFRASTRUCTURE AND FINANCIAL MARKET DEVELOPMENT IN MOLDOVA

A workshop on Private sector participation in infrastructure and financial market development was successfully held on the 8th and 9th of December in Chisinau. The event was organised by the EU-funded PPF Project and supported by the European Union Delegation to Moldova.

The workshop gathered more than 80 participants from government institutions and other public bodies, international financial institutions operating in Moldova, investors, private sector associations and university students in an interactive discussion on the prospects for private sector investment in the country.



The first day of the workshop focused on the large infrastructure projects supported by the private sector. After opening words by Magdalena Mueller-Uri, Head of Cooperation at the EU Delegation to Moldova, Tigran Krmoyan from RENCO Armestate from Italy/Armenia shared the successful experience of a private investment case in the energy sector of Armenia. Jose-Luis Gomez Pasqual from Premier Energy brought the discussion closer to home by speaking about Premier Energy's experience in Moldova. Final keynote speech of the day delivered by Dr. Mathias von Tucher focused on Danube Logistics experience in Giurgiulesti Port, owned by the European Bank for Reconstruction and Development (EBRD).



The panel discussion that followed included State Secretary from the Ministry of Finance, Ion Gumene; State Secretary from Ministry of Infrastructure and Regional Development, Constantin Borosan; Head of European Investment Bank Representation in Moldova, Alberto Carlei; EBRD Associate Director and Senior Banker, Alexandru Cosovan; and PPF Project expert Spyros Valatas.

The Victoriabank CEO Bogdan Plesuvescu opened the second day discussion about financing options in Moldova, followed by Paul Swoboda from Grawe Carat, part of Grawe Group from Austria, who spoke about their experience as international insurance company operating in Moldova.



The panel discussion welcomed Governor of the National Bank of Moldova, Octavian Armaşu; Resident Representative at International Monetary Fund, Rodgers Chawani; Vice President of National Commission for Financial Markets, Vitalie Lemne; MAIB CFO, Macar Stoianov; OTP Bank CEO, Bogdan Spuza; and PPF Project expert Constantinos Kyriakopoulos. In conclusion of the day Yiannis Skeparnias from Synergy Asset Management Wealth Group in Switzerland discussed international experience in investment finance.

One common takeaway shared by speakers, panellists and participants alike was the importance of predictability for private investments regardless of the sector.

New

## PROJECT COMPONENT 5



Following a request from the Ministry of Finance to include Debt Management as part of the PPF Project, the EU Delegation approved the Contract Addendum 1 to the PPF Project on 18 February 2022. Support will be provided to the Ministry of Finance, and the Public Debt Directorate in particular, to implement the Medium-Term Debt Strategy.

The main focus will be on the development of the domestic market for Government Securities, both the primary and secondary markets.

The PPF Project team provides support to the Public Debt Directorate of the MoF focussed on broadening and deepening the domestic market for government securities. This includes the diversification of the investor base through the identification of new institutional investors for Moldovan government securities, the improvement of communications with participants of the domestic debt market, and the introduction of modern debt management instruments. The PPF Project will also assist in the building of capacity to issue bonds in the international markets.

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### Main objective of the Project:

To strengthen the capacity of the Moldovan national authorities to plan, prepare and manage public investment projects, both domestically and externally financed. Particular attention will be paid to capital projects that support the implementation of the EU-Moldova Association Agreement.

### Main beneficiary:

Ministry of Finance

### Contacts:

Ministry of Finance  
7 Constantin Tanase str.  
Chisinau, MD-2005  
Republic of Moldova  
<https://mf.gov.md/en/ppf>



# Thank you!

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