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# PPF PROJECT NEWSLETTER

January - December 2023



## Moldova's road to the EU: Economic challenges and opportunities in focus

On 8 November 2023, the European Commission adopted the 2023 Enlargement Package that, for the first time, included a country report on the Republic of Moldova.

To mark the occasion, the EU Technical Assistance Project “Support the Moldovan Government in Identifying and Preparing Projects Linked to the Implementation of the Association Agreement” (PPF Project) hosted a workshop on **‘Moldova’s road to the EU: economic challenges and opportunities’**. The event centred on economic reforms, necessary investments and the financial support available for the country’s integration to the EU.

In his opening speech, the EU Ambassador to the Republic of Moldova Jānis Mažeiks stated *‘[...] while getting closer to the EU can serve as a good anchor for important reforms, in order for them to materialise, the whole society should be involved through strong institutions, civil society and committed politicians.’*

The panel discussion was moderated by PPF Project Senior Expert Mandeep Bains. The opening intervention was made by Josip Jurić, Programme Manager from the EU Delegation, who presented the main conclusions and recommendations of the European Commission report on Moldova. He also stressed the impact of the EU enlargement process on boosting investor confidence.

The Head of the European Investment Bank (EIB) Representation to Moldova Alberto Carlei, talked about the EIBs’ main activities in Moldova. Similarly, the Head of Moldova for the European Bank for Reconstruction and Development (EBRD) in Moldova, Catarina Björllin Hansen, focused on EBRD support to the country’s economic reform process. The final intervention was made by Natalia Adam, Principal Consultant in Investment Project Implementation for Nisporeni Municipality, who shared information about the development of the Municipal Investment Plan of Nisporeni, supported by the PPF Project. The Plan is presented through a prospectus with all the investment projects planned by the Municipality, including opportunities for private sector investors.

# DEBT MANAGEMENT

## Revitalising Moldovan government securities market: results of a successful bond auction

On 27 September 2023, the Ministry of Finance successfully issued for the first time in the history of Moldova a 10-year maturity bond. This came to complement the also successful first issuance of the first ever 7-year maturity in 2021.

These events are important milestone in the PPF Project team advice since the start of the process. The 10-year bond is also a vote of confidence for the long-term perspectives of Moldovan economy enhancing the set of available choices for investors in the domestic debt market.

Here is a closer look at the results of the **10-year bond issuance**:

### Announced Amount

75 million lei at 8.25%

The bids were more than 225 million lei



The Ministry of Finance covered all the demand showing its determination to enhance and deepen the capital markets of Moldova.



## Discussion at the NBM on the development of the Moldovan government securities market and the attraction of international investors

Kostas Kyriakopoulos, PPF Project Senior Expert in Finance, presented options for improving the Moldovan Government securities market at a meeting organised by the National Bank of Moldova (NBM) on 30 June 2023.

A key feature for the expansion of the domestic market is attracting international investors. This requires creating the right infrastructure and conditions for foreign investors to be able to access Moldovan government securities.

Attending the meeting, NBM Governor Octavian Armaşu welcomed the initiative of the Ministry of Finance and the experts of the PPF Project. The Governor mentioned that the NBM has taken all necessary measures to ensure the stability of the domestic financial market and has succeeded in implementing a technical infrastructure, both factors being a solid support to bring foreign investors to the local market.

Project Team Leader Yiannis Hadziyiannakis thanked the NBM Board for their support and noted that with the increased access of international investors to the Moldovan Government securities market, there will be opportunities to identify new investors and raise the investment attractiveness of the country.

# PUBLIC INVESTMENT



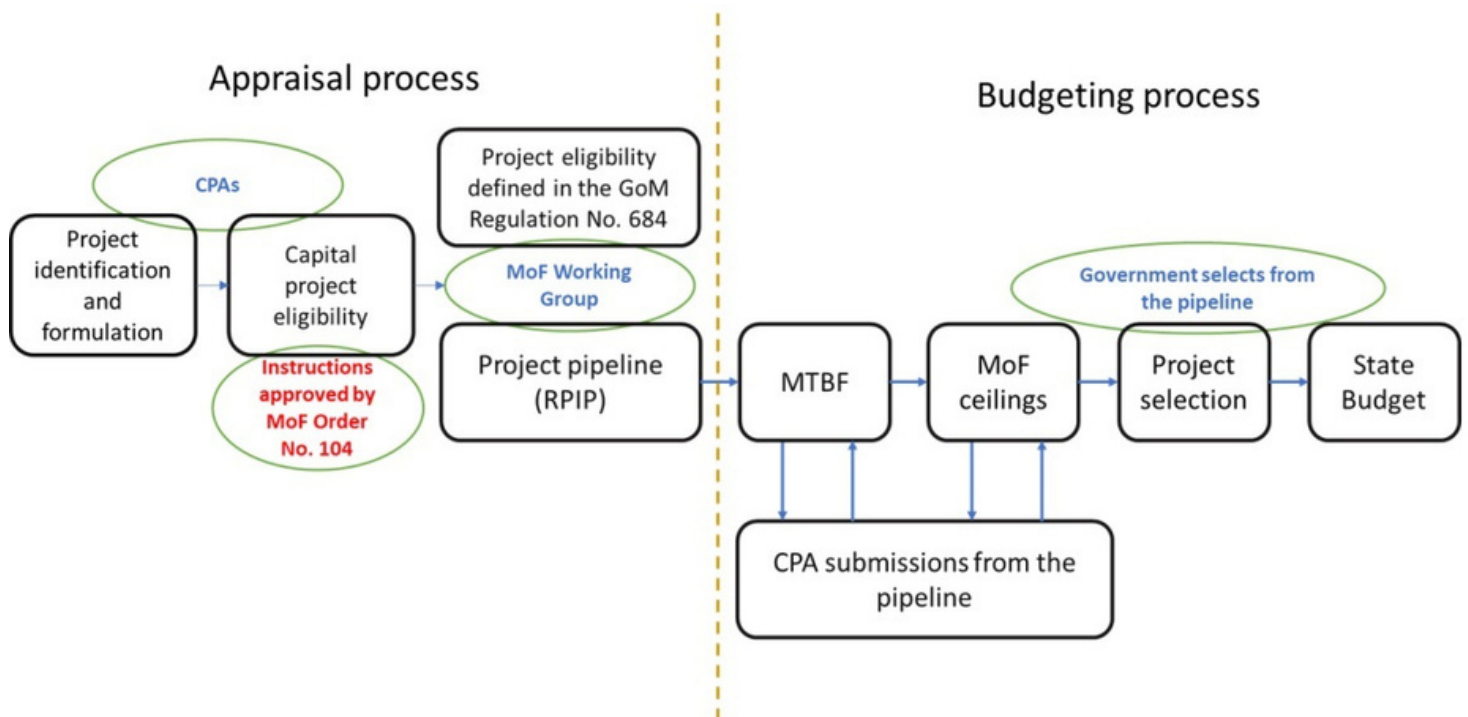
On 22 November 2023, the Ministry of Finance issued Order No. 104 approving Instructions on Appraisal of Public Investment Projects developed by the PPF Project team in close collaboration with the Public Investment Directorate of the Ministry of Finance. These Instructions operationalise the Government of Moldova Regulation No. 684/29 of September 2022 and are an important milestone towards achieving Moldova's objective of improving public investment management.

The Instructions describe in detail the appraisal process for public investment projects, including the

process of submission of projects, their scoring and subsequent inclusion in a Project Pipeline. They also include the requirements that project proposals need to meet the eligibility criteria defined in the Regulation No. 684/29.

During 2024, the PPF Project team together with the Public Investment Directorate will provide intensive trainings to all central public authorities of Moldova in project appraisal and application of the Instructions.

## Public investment planning process





# TRAININGS AND WORKSHOPS

## Introductory training on development assistance and upgraded Aid Management Platform

On 29 March 2023, the Ministry of Finance and the PPF Project held an introductory training session on the topic of development assistance and on practical guidance for using the upgraded Aid Management Platform (AMP).

The training session was aimed at familiarising central public authorities with the upgraded version of the AMP, in addition to improving their practical skills in monitoring and reporting on technical and investment projects.

The training session was inaugurated by Rachel Mac Gowan, PPF Project Senior Expert on External Aid, who presented a general overview of the international aid system followed by MoF representatives who demonstrated the practical use of the upgraded AMP and who presented an overview of the AMP Data Management Policy, specifying the roles and responsibilities for data inputting and updating on the platform.

The Ministry of Finance and the PPF Project are committed to providing continuous support to ensure that the upgraded Aid Management Platform is utilised to its fullest potential by central public authorities for managing data related to external assistance.



## How to increase visibility of EU external actions in Moldova, with focus on Budget Support

On 27 April 2023, the Ministry of Finance hosted, in collaboration with the EU Delegation, a training session on 'Communication's Strategy for EU External Actions'. The aim of the training session was to familiarise the participants with the unique features of the budget support instrument and the new communication & visibility guidelines of the European Commission. The training session was attended by forty participants from the Ministry of Foreign Affairs and European Integration, Ministry of Environment, Ministry of Internal Affairs, Ministry of Health, Ministry of Labour and Social Protection, Ministry of Education and Research, Ministry of Energy, Ministry of Agriculture and Food Industry, and Ministry of Infrastructure and Regional Development.

In her opening speech, Minister Veronica Sireșteanu welcomed the training initiative and stressed the importance of communicating on EU assistance, and how additional financial resources are transferred to the national budget through the EU budget support instrument contributing significantly to the quality and delivery of the Governments' policies and programmes.

The EU has disbursed over 200 million euros in Moldova in the period from 2021 to 2023 through the following budget support programmes; "State and Resilience Building Contract for the Republic of Moldova"; "COVID-19 Resilience Contract"; and "Support to Police Reform". An additional top-up of 105 million euros to the "State and Resilience Building Contract" to provide continued support to the cost-of-living crisis is currently under negotiation.

State Secretary Ion Gumene stressed how clear and regular communication about EU assistance (including EU budget support) to Moldovan citizens, helps to promote the principles of accountability and transparency, and serves as a counterbalance to the circulation of disinformation and half-truths.

During the three-hour training session, the new EC

# TRAININGS AND WORKSHOPS

Communication and Visibility Guidelines were introduced; and the EU budget support was explained using practical examples sourced from the EU publication “Budget Support: Trends & Results 2022”. With a view to increasing efforts in promoting the actions funded through the budget support instrument, participants were encouraged to share their experiences and challenges in communicating the budget support instrument as well as the government communication in general.



The session was led by Communication Expert, Antonia Loncar and moderated by Rachel Mac Gowan, both members of the PPF Project team.

In the closing session, the Director of the External Assistance of Ministry of Finance, Iulia Ciumac, once again invited all the participants from the line ministries dealing with budget support, to bring the new EC Guidelines to action.

## Pilot training course on project appraisal

The PPF Project team delivered the pilot training course on ‘Project Appraisal’ to the National Agency for Energy Regulation (ANRE), Moldelectrica and the



Moldova Energy Projects Implementation Unit (MEPIU) on 16-18 May 2023.

The main objective of the course was to introduce participants to the newly approved national procedure for the design and appraisal of public investment projects as per Government of Moldova Regulation No. 684/29 of September 2022.

The course covers the following areas in four modules: Basic concepts for investment, and project design and appraisal; Procedure for the appraisal of public investment projects; Scoring methodology of public investment project proposals; and Case Study with a real-life investment renewable energy project proposal.

The training course was delivered by PPF Project experts: Gnel Sedrakyan, Constantinos Kyriakopoulos and Daniela Cotorobai with the support of Roman Ivanov and Sergiu Robu.







## EUROPE DAY 2023

The PPF Project took an active part in Europe Day festivities in both Chisinau and Leova.

For a meaningful presence at these events, the PPF Project team organised engaging activities designed for diverse age groups.

### Europe Day in Chisinau

The European Village in Chisinau was held on 13 May with the active participation of the PPF Project team.

The project team in collaboration with the Ministry of Finance organised a quiz/game on European Union themes and themes related to economic issues. The aim of the event was to bring together pupils and students from Moldova stimulating them to improve their knowledge on the European Union and on fundamental economic and financial concepts in an interactive way.

The quiz/game also aimed at building a team spirit and developing analytical skills.

In addition, the PPF Project team organised entertainment for children and their parents with a spectacular magic show 'The World of Magic' performed by the popular illusionist Gary Kozma. EU branded gifts for children and their parents were distributed by the PPF project team.

### Europe Day in Leova



On 20 May, the PPF Project team participated at the European Village in Leova. The team distributed EU-branded gifts to the children from Leova contributing to the festive atmosphere. Furthermore, the PPF Project sponsored the live streaming of the Europe Day dedicated concert featuring the Doina Covurluiului ensemble from Galați, Advahov Brothers and the popular Zdob și Zdub ethno-rock band.