

NEWSLETTER

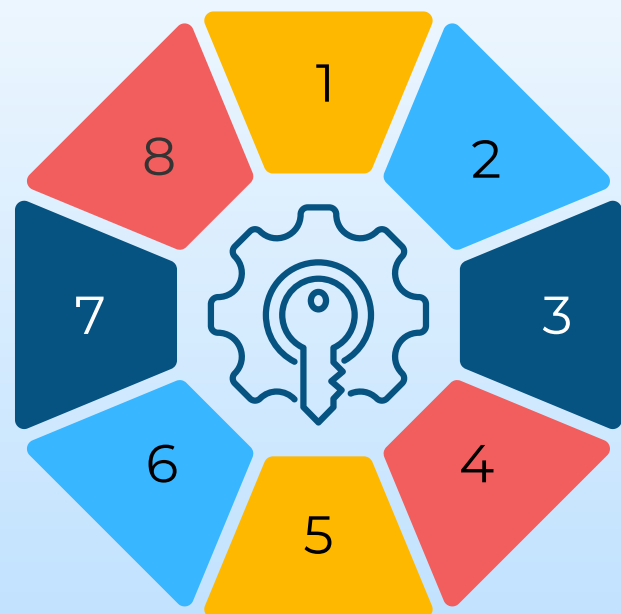


PPF Project duration extended for one additional year

On 1 July the EU Delegation signed the second contract addendum extending the PPF Project duration for one additional year (end 30 June 2026) and adding three new components as follows:

- New **Component 6**: Support to implementation of the Public Sector Accounting Reform.
- New **Component 7**: Support to preparation of the Economic Reform Programme (ERP) document.
- New **Component 8**: Support to the communication of PFM reform and the PFM strategy.

The PPF Project commenced on 1 September 2020 and currently includes 8 Components



Overview of the three new components

Component 6 – Support to implementation of the Public Sector Accounting Reform.

This new Component is about updating and working towards the introduction of the National Public Sector Accounting Standards (NPSAS).

In 2016, Moldova had initiated public sector accounting reform aligned to the International Public Sector Accounting Standards (IPSAS) adapted for Moldova as the basis for NPSAS. The MoF with the help of EU technical assistance at that time had developed 22 NPSAS by the end of 2018, the introduction of which was planned from January 2020 after the adoption of relevant legislative and regulatory changes and the development of an integrated accounting system. The PPF Project will assist MoF to update the existing NPSAS to reflect the changes in IPSAS and develop new NPSAS as required.

Component 7 – Support to preparation of the Economic Reform Programme (ERP) document.

Under this new Component, the PPF Project will assist the MoF in the establishment of the European Reform Programme (ERP) preparation process in Moldova.

All EU candidate countries submit annually an Economic Reform Programme (ERP) document to the European Commission.

The ERP document contains medium-term macroeconomic projections (for a number of economic indicators including growth, inflation, the external balance and capital flows), budgetary plans for the next three years, as well as a structural reform agenda.

The structural reform agenda includes reforms to strengthen competitiveness and improve conditions for inclusive growth and employment creation in a number of areas. The ERP document plays a key role in the bilateral dialogue of the EU candidate country with the EC on economic and financial matters.

Component 8 – Support to the communication of PFM reform and the PFM strategy.

This new Component is about developing capacity within the MoF for communicating the PFM Strategy and ongoing reforms, including the European integration process that falls under the responsibility of the MoF.

PFM is a critical element in Moldova's process towards EU membership and the Ministry of Finance will require support in communicating on planned PFM reforms as required by the EU integration process.

[Read more on our webpage](#)



Training and Workshops



Introductory workshop on the new Public Investment Project Appraisal Procedure

On 13 and 14 February 2024, the PPF Project team, together with the Public Investment Directorate of the Ministry of Finance, held an introductory workshop aimed at informing representatives from fifty central public authorities on the new public investment project appraisal procedure (Regulation 684/September 2022).

Participants were briefed on the new regulatory framework on public investment management and were introduced to the new workflow required to operationalise the new investment project appraisal procedure. They were also introduced to the features of the web-based IT module to facilitate project submissions by central public authorities and project review by the dedicated Working Group of the Ministry of Finance.

State Secretary of the Ministry of Finance, Ion Gumene, opened the workshop emphasising the importance of applying

the new public investment project appraisal procedure by all central public authorities, which will lead to establishment of the single project pipeline. It is expected that the new system will address the chronic underspending of the capital budget in recent years.

Addressing the opening session, Josip Juric, Programme Manager from the EU Delegation to the Republic of Moldova, referred to the importance of efficient utilisation of EU assistance provided to Moldova for various infrastructure projects.

The workshop marks the first step in a broader initiative aimed at enhancing the capacity of the central public authorities to develop and submit public investment projects in line with the Regulation 684/September 2022.

Later during the year the PPF Project team provided regular support to line ministries and other Central Public Authorities through customised trainings and on-the-job assistance on investment project preparation and appraisal, and the application of the IT module.

Training sessions conducted on the new Public Investment Project Appraisal Procedure

Following the introductory workshop on the new public investment project appraisal procedure held in February 2024, the PPF Project team organised a series of targeted training sessions to strengthen the capacity of public authorities in applying the new public investment project appraisal procedure.

The first session, held on 22 March 2024, was dedicated to the newly established MoF Working Group responsible for public investment project appraisal. Participants included representatives from the Directorate of Public Investment (Secretariat), the General Directorate for Budget Policies & Synthesis, the General Directorate for Public Debt & External Assistance, and the General Directorate for Sectoral Budget Policies. The training provided an in-depth overview of the appraisal criteria, scoring methodology,



and the functionalities of the web-based Project Appraisal IT module, designed to streamline project submissions and evaluations.

During March-April 2024 three sets of trainings were delivered to the line ministries and other Central Public Authorities including representatives from the Ministries of Finance, Justice, Health, Defence, Internal Affairs, Agriculture and Food Industry, Infrastructure and Regional Development, Education and Research, Energy, Environment and Culture, as well as the Court of Accounts, Customs Service, Tax Authority, and the State Chancellery. These sessions aimed to familiarise participants with the new regulatory framework and strengthen their capacity to prepare and appraise public investment projects in compliance with Regulation 684/2022 and MoF Order 104/2023.

Beyond central authorities, the PPF Project extended its support to the local public authorities by organising a training session in May 2024 for public authorities in Nisporeni Rayon. This session introduced local government officials to best practices in investment planning and appraisal, ensuring alignment with national procedures and regulatory requirements.

To further support the implementation of the national objective to improve public investment planning, the PPF Project team will continue to deliver training and on-the-job support to central public authorities.

The course was delivered by the PPF Project experts Gnel Sedrakyan, Constantinos Kyriakopoulos, and Daniela Cotorobai.

Training course on Costing of Public Investment Projects

In February 2024, the PPF Project team delivered also a training course on Costing of Public Investment Projects for participants from the Ministry of Finance, Court of Accounts, Ministry of Infrastructure and Regional Development, and Ministry of Health. The objective of the course was to introduce a structured approach to costing capital projects, aimed at enhancing the ability to evaluate investment proposals for capital budget planning.

The course consisted of 6 modules covering various topics such as: Cost classifications, Marginal and absorption costing, Standard costing, Variance analysis, Relevant costs for decision making, and Costing for capital projects.

It was delivered by PPF Project experts Irina Grigoryan and Eugenia Busmachiu.



Training on Public Finance Management in Moldova for State Chancellery

At the request of the State Chancellery, the EU-funded PPF Project conducted a training course on Public Finance Management from 1 to 3 April 2024.

The training was attended by the State Chancellery officials from the directorates for External Assistance and European Funds Coordination; Strategic Planning; Policy Coordination and Project Management; and Relations with Parliament and Inter-institutional Coordination.

The training aimed to familiarise participants with key concepts and operational functions of PFM, and to explain the role and importance of PFM in the context of the development process in Moldova.

The Training Course covers the standard PFM cycle: strategic planning, budget preparation, budget execution, accounting & reporting, external audit & legislative scrutiny, and policy review. The training was interactive with practical exercises adapted to the Moldovan PFM system, and active engagement by the State Chancellery participants.

The course was delivered by the PPF Project Team Leader, Yiannis Hadziyiannakis.





Workshop on the first-ever Renewables Tenders for offering the status of large eligible producer

At the request of the Ministry of Energy the PPF project team supported the organisation of the Bidder’s Workshop on Renewables Tenders. Held on 25 April 2024, the workshop aimed to inform potential bidders about the legislative and normative framework to launch the first-ever tender for the supply of power stations with fixed price. It also provided a platform to present the key stages of the tendering procedure in addition to the estimated timeline (April to September 2024), for all interested parties attending the event.

The Ministry of Energy aimed to select projects with a total capacity of 165 MW capacity of renewable energy, distributed according to technologies – 105 MW for wind installations and 60 MW for photo-

-voltaic stations. Once installed these will cover 16% of the renewable energy consumption in the electricity mix of the country.

The workshop gathered over 70 participants from the Ministry of Energy, National Agency for Energy Regulation, Invest Moldova, European Bank for Reconstruction and Development, Moldova-France Chamber of Commerce and Industry, AmCham, EU-funded projects, commercial banks, energy providers and potential investors. During the event the participants engaged in an interactive discussion on the tender procedure.

The workshop provided a transparent and informative platform for all relevant actors involved in the energy transition. PPF project team actively participated in this initiative, contributing to discussions and sharing insights to support the sustainable development of the renewable energy sector.

Workshop on the latest developments in International Public Sector Accounting Standards

As part of the new Component 6 “Supporting the Ministry of Finance in the Implementation of the Public Sector Accounting Reform”, the PPF Project team organised a workshop on 8 October, 2024 led by PPF Project experts Irina Grigoryan and Eugenia Bismachiu.

The workshop brought together representatives of the Ministry of Finance (MoF), the Court of Accounts and the biggest line ministries. The event focused on updating participants on the changes in International Public Sector Accounting Standards (IPSAS) in the context of the public sector accounting reform in Moldova.

Moldova began developing its National Public Sector Accounting Standards (NPSAS) based on IPSAS in 2016. By 2018, 22 NPSAS had been developed by the MoF with their implementation planned from 2020.



The progress, however, was delayed due to the conclusion of EU technical assistance and the onset of the COVID-19 pandemic.

The MoF now has decided to resume the efforts for developing and implementing NPSAS. The PPF team will provide on-the-job technical assistance to the MoF Treasury in updating the reform Concept and Action Plan, amending and developing NPSAS and building capacity in the government to implement the new standards.

Celebrating Europe Day 2024

On 9 May 2024, the PPF Project team joined in on the Europe’s Day celebrations organised in Chisinau. The European Village was located in the city’s main square. The general public participated in many activities throughout the day, aimed at increasing their knowledge about EU activities in the country.

The PPF Project stand organised a raffle, testing EU general knowledge and it also provided entertainment for children in the form of EU-themed puzzles. Adults and children taking part in the activities organised by the PPF Project team were given gifts to take home.

