Debt Management Performance Assessment (DeMPA)

Republic of Moldova

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ECONOMIC POLICY AND DEBT DEPARTMENT
Sound Economics for Growth and Poverty Reduction

TREASURY
THE WORLD BANK

The DeMPA is a methodology for assessing public debt management performance through a comprehensive set of indicators spanning the full range of government debt management functions. It is adapted from the Public Expenditure and Financial Accountability (PEFA) framework. The DeMPA tool presents the 15 debt performance indicators along with a scoring methodology. The DeMPA tool is complemented by guide that provides supplemental information for the use of the indicators.

For additional information on the World Bank's Debt Management Technical Assistance Program, including more on the DeMPA Program, please visit our website at: http://www.worldbank.org/debt

PREFACE

The performance report for Moldova presents the findings of the World Bank mission (April 2008) using the debt management performance assessment (DeMPA) framework. The report has benefitted from the comments and suggestions received from the Ministry of Finance of Moldova. The Minister of Finance, Republic of Moldova Madam Mariana Durlesteanu, while authorizing her consent to publish the report, requested that the following Note be included at the beginning of the report.

NOTE

The Ministry of Finance of Moldova benefited from the visit of a World Bank DeMPA mission on April 2008. The mission had the task to evaluate the existing government debt management framework and corresponding activities existing in the country. To do so, they applied a reference set of criteria developed rather recently by them, in what is known as Debt Management Performance Assessment Tool (DeMPA). The result was shared with the Ministry of Finance of Moldova, where after a careful revision of the results produced a set of comments on the report.

The document published now has incorporated some of those comments. However, we consider that few ones need to be more realistic on its application in the sense that the assessment made should be more based on the current conditions of the specific country. It is not consistent to expect the availability of documents regulating the State borrowing activities that may be useful and necessary in countries with full access to international capital markets but not in low income or IDA only countries. It is not the score that a particular country can be assigned as a result of this type of assignment, but the objectivity with which the criteria proposed can be applied. In any case, the intention of an exercise of the kind is to improve the debt management skills of any particular country which is an important scope in itself.

It is with the above belief and with the understanding that DeMPA constitutes a useful tool that can be used as reference to asses and improve the government management capabilities, which the Ministry of Finance of Moldova agrees to the publication of the report.

Table of Contents

1. Executive Summary

From April 7 to April 11, 2008, a World Bank team[1] went on a debt management performance assessment (DeMPA) mission to Chisinau, Moldova. The objective was to undertake a comprehensive assessment of debt management operations using the DeMPA debt performance indicators (DPIs). The mission overlapped and interacted with the PEFA team. As part of the assessment, the mission met with officials from the Ministry of Finance (MF) – in particular, from the Debt Office (DO), the General Division for Budget Synthesis, and the Treasury – as well as from the National Bank of Moldova (NBM), the Court of Accounts (auditors), the Credit Line Directorate (for on-lent funds), donors, and primary dealers (see Annex 1 for a list of officials and institutions). The assessment reveals that overall Moldova scores high on the managerial structure, coordination with monetary policy, policies and procedures for domestic borrowing, and debt records. Aspects of legal framework as well as debt reporting were also highly rated. In the area of coordination with fiscal policy, policies and procedures for external borrowing, loan guarantees, on-lending and debt-related transactions, as well as cash flow forecasting and cash balance management Moldova meets the minimum requirements for effective debt management under the DeMPA tool. The mission identified the following areas that require improvement and should be considered priority for reform: quality of the debt management strategy, audit, and operational risk management (debt administration and data security as well as segregation of duties, staff capacity, and business continuity).

Technical Assistance in Debt Management

The DO benefited from SIDA technical assistance in the field of public debt management[2], which involved two projects. The goal of the first project was to advise the Government on debt restructuring through rescheduling or refinancing. The objectives of the second project included (1) sound debt management based on best practice; (2) capacity building for debt sustainability analysis and risk assessment; (3) modification of existing legal framework and internal regulations; (4) updating software for statistical and analytical purpose; (5) training of local staff; (6) incorporation of Transnistrian debt into single debt management framework.[3] SIDA also provided support for upgrading the DMFAS version 5.3 with an installed domestic debt module and hired a consultant to train the DO staff on system applications. Consultations on the legal framework led to drafting and adopting of the new *Law on Public Debt and State Guarantees and on-lending from State Borrowings* in December 2006 and subsequent internal regulations on public debt. In addition, training on Debt Sustainability Analysis was given at a workshop in Chisinau in early 2008 using the DSM+ module. Despite the

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[1] The mission team comprised Abha Prasad, Tihomir Stucka and Marta Bruska from the Economic Policy and Debt Department (PRMED) of the World Bank.
[2] Mission met with Lilia Razlog, SIDA's National Programme Officer.
[3] Sida-funded projects in Moldova: www.sida.se/shared/jsp/download.jsp?f=Moldovaongoing.doc&a=24026

received training, high staff turnover results in scattered institutional knowledge and it was suggested by the Minister of Finance that the mission team consider structuring adequate trainings on cost benefit analysis, financial markets, debt sustainability, and debt strategy for the staff.

2. Background

2.1 Country Background

Moldova is a small, open economy, heavily dependent on agriculture, and with a large proportion of its labor force working abroad. Following independence in 1991, after the collapse of the Soviet Union, Moldova entered a period of escalating hostilities leading to a civil war with Transnistria in 1992. Russia's ban on imports of Moldovan wine, a doubling of energy prices and other external shocks led to financing gaps and a build up of arrears to bilateral creditors. In May 2006, these issues were addressed though a PRGF arrangement with the IMF and subsequently through Paris Club debt rescheduling, which took place the same year. Since 2007, Moldova has cleared all external arrears and no government arrears have been accumulated.

A debt sustainability analysis (DSA) conducted by the World Bank and the IMF in early 2008 concluded that Moldova's external debt outlook is favourable, with a low risk of debt distress. Moreover, the public DSA suggests that Moldova's overall public sector debt dynamics are sustainable in light of the current size and the evolution of the domestic debt stock. This debt situation is an improvement compared to the last DSA undertaken in mid-2007, and is mostly the result of strong GDP growth.

The Paris Club restructuring and good macroeconomic management seem to have laid the groundwork for future investment-led growth. Given Moldova's development needs, there appears to be room for modest additional borrowing for infrastructure and other high priority projects. Absorptive capacity is likely to be a more binding constraint than debt sustainability. However, as Moldova may soon exceed the IDA-only threshold, opportunities for non-concessional borrowing will need to be appropriately examined for the medium term.[4]

End-2006, Moldova's total public debt was estimated at 34 percent of GDP[5], with external debt amounting to 26 percent of GDP or US$ 873 million. Most of the external debt is on concessional terms, with a grant element of new borrowing estimated at close to 40 percent in 2008/09, but dissipating to half of the size in 5 years. Thus, while most of the borrowing in the near future is expected to be on concessional terms, as Moldova becomes an IDA-IBRD blend country, borrowing from multilateral lenders is

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[4] Debt Sustainability Analysis for Moldova, February 20, 2008: http://www.imf.org/external/pubs/ft/scr/2008/cr08139.pdf

[5] Ibid.

likely to take place at less concessional terms. Public domestic debt has remained steady over time at roughly 25 percent of total public debt, and is held primarily by the NBM.

A year after Parliament strengthened the independence of the NBM, the MF and NBM signed an agreement defining the securitization of the outstanding government debt held by the NBM to bolster its ability to conduct open market operations in an environment of increasing inflation and strong capital inflows. In addition, both institutions meet annually to determine the net debt repayments to the NBM on a discretionary basis; for 2008, the net repayment was set at MDL 118 million (0.3 percent GDP). Public debt owed to the NBM is published on a monthly basis on the Bank's website and described in the monthly and quarterly NBM bulletin. Furthermore, domestic borrowing plans and objectives including the securitized debt over the three-year horizon are depicted in the medium term expenditure framework (MTEF). Large direct borrowings from the NBM occurred in earlier years, in response to difficulties in servicing external public debt.

Moldova's capital markets are narrow with only a handful of corporate stocks being publicly traded, and thus are not yet perceived as a source of financing. The money market comprises three segments: Treasury bills (T-bills)/bonds, NBM certificates and the direct inter-bank market. T-bills are auctioned weekly, mostly 91-day papers, though 182 and 364-day bills are also sold in small quantities. The outstanding stock is only 3.6 percent of GDP and is owned mainly by commercial banks, while the share of non-bank investors is less than 2 percent. NBM certificates are currently being offered to banks at pre-announced interest rates in 7-day, 14-day and 28-day maturities. There is virtually no secondary trading in T-bills or NBM certificates. Due to liquidity overhang, both papers are primarily used as short term investment vehicles, rather than a liquidity management tool. The T-bill market is the smallest with an average monthly turnover of MDL 176 million followed by the inter-bank market at about MDL 1.3 billion, which is dominated by overnight and up to 14-day inter-bank loans. With increased sterilization needs, monthly sales of certificates increased from about MDL 550 million in 2006 to more than MDL 2 billion in 2007.

2.2 Public Expenditure and Financial Accountability (PEFA) Assessment – 2006

A PEFA report for Moldova was prepared in April 2006. The PEFA assessed Public Finance Management systems and processes for the 2006 budget cycle, including accounting and audit information on past year expenditures produced during 2005 (at present a PEFA was underway for the 2007 budget cycle).

The PEFA assessment goes well beyond debt management operations, which is the focus of DeMPA, but a certain overlap exists. On the issues covered by the DeMPA, the PEFA gave a good rating (Score A) for scope and frequency of debt sustainability analysis, the extent to which cash flows are forecast and monitored, the extent of management response to internal audit functions, and on evidence of follow-up on audit recommendations. It gives high scores (B) for the quality of debt data recording and reporting and the systems for contracting loans and issuance of guarantees; for the regularity of bank reconciliations and timeliness of submission of audit reports to legislature.

The DeMPA has similar scores, except on the scope and frequency of debt sustainability analysis (DSA), where it is a requirement that the country undertakes the analysis on its own. On the audits, the DeMPA tool only focuses on performance audits for the debt management entities. Since performance audits have not been conducted the scores for this indicator were low. On the issue of contracting loans and issuance of guarantees, both the DeMPA and the PEFA scores are similar – even though the PEFA (2006) had analysed the law passed in 1996, whereas the DeMPA assessed the modern debt law enacted in 2006[6] .On reconciliation of bank accounts, the DeMPA tool only assesses those accounts that are operated by the debt management entity. In Moldova this was not assessed as the bank accounts are operated by the Treasurer and not by the DO.

2.2 DeMPA Assessment

The DeMPA comprises a set of 15 DPIs, which aim to encompass the complete spectrum of government debt management (DeM) operations as well as the overall environment in which these operations are conducted. While the DeMPA does not specify recommendations on reforms and/or capacity and institution building needs, the performance indicators do stipulate a minimum level that should be met under all conditions. Consequently, if the assessment shows that the minimum requirements are not met, this will clearly indicate an area requiring attention or priority reform.

The scope of the DeMPA is central government debt management activities and closely related functions such as issuance of loan guarantees, on-lending, and cash flow forecasting and cash balance management. Thus, the DeMPA does not assess the ability to manage the wider public debt, including implicit contingent liabilities (such as liabilities of the pension system, losses of state-owned enterprises, etc.), as well as debt of state-owned enterprises (SOE), if these are not guaranteed by the central government.

The DPIs have one or more dimensions linked to the subject of the DPI. Each of these dimensions are assessed separately. An aggregate score of each indicator is then based on the assessments for the individual dimensions of the indicator. For DPIs that have two or more dimensions, an aggregate score is determined by averaging the scores for individual dimensions of an indicator.

The scoring methodology assesses each dimension and assigns a score of either A, B or C based on the criteria listed. The evaluation starts by checking whether the minimum requirement for that dimension has been met, corresponding to a score of C. A

[6] *Law on Public Debt and State Guarantees and on-lending from State Borrowings.*

minimum requirement is the necessary condition for effective performance under the particular dimension being measured. If the minimum requirements set out in C are not met, then a D score is assigned. In the cases where a dimension cannot be assessed, a N/R (not rated or assessed) score is assigned. The A score reflects sound practice for that particular dimension of the indicator. The B score is an in-between score lying between the minimum requirements and sound practice.

3. Summary of Performance Indicator Assessment

Performance Indicators		Score
Governance and Strategy Development		
DPI-1	Legal framework	B
DPI-2	Managerial Structure	A
DPI-3	Debt Management strategy	D+
DPI-4	Evaluation of Debt Management Operations	C
DPI-5	Audit	D+
Coordination with Macroeconomic Policies		
DPI -6	Coordination with Fiscal Policy	C
DPI -7	Coordination with Monetary Policy	A
Borrowing and Related Financing Activities		
DPI-8	Domestic borrowing	A
DPI-9	External borrowing	C
DPI-10	Loan guarantees, on-lending and debt-related transactions	C
Cash Flow Forecasting and Cash Balance Management		
DPI-11	Cash Flow Forecasting and Cash Balance Management	C+
Operational Risk Management		
DPI-12	Debt Administration and Data Security	D+
DPI-13	Segregation of Duties, Staff Capacity and Business Continuity	D
Debt Records and Reporting		
DPI-14	Debt Records	A
DPI-15	Debt Reporting	B

3.1 GOVERNANCE AND STRATEGY DEVELOPMENT

DPI-1 Legal Framework

Dimension	Score
1. The existence, coverage, and content of the legal framework	B
Overall score	B

In December 2006, the Parliament of the Republic of Moldova adopted the *Law on Public Debt and State Guarantees and on-lending from State Borrowings*[7]. It clarifies the roles and responsibilities of institutions involved in contracting and reporting public debt. This law also describes the purpose, disbursement, repayment, registration, and management of state debt, the issuance of state guarantees as well as on-lending activities. Furthermore, for the first time the legislation introduces the notion of "Public Debt" defined as "all State Debt, the Debt of the NBM, of administrative-territorial units, of public institutions financed in whole or in part from State or Local budgets, and the debt from internal and external borrowings of enterprises where the State or/and administrative-territorial unit own more than 51 percent."[8]

The primary legislation clearly sets out the authority of the MF to borrow in domestic and foreign markets. More precisely, the Parliament provides clear authorization to the MF to: (1)contract state borrowings, internally or externally in local or in any foreign currency; (2) grant state guarantees, internally or externally denominated in local or foreign currency; and (3) issue state securities internally or externally. Contracting of foreign borrowing, however, as well as the issuance of state guarantee has to be approved by Parliament. The MF is also obliged to submit "periodic reports to the Government and to the Parliament on the execution of State Budget, data describing the volume and status of the Public Debt, State guarantees and on-lending from State borrowings."[9] In this context, annual reports are submitted to the Parliament as part of the MTEF.

Specific borrowing purposes are outlined in Art. 3(4), 12, 23(1) and 27[10] of Law no.419-XVI. Thus, the MF is authorized to issue state securities to increase statutory capital or to cover losses registered in the general reserve fund of the NBM. In addition, borrowed

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[7] Law no.419-XVI of 22.12.2006.
[8] Ibid, Art. 2.
[9] Ibid, Art. 9(6).
[10] Internal and External State Guarantees are issued in exceptional situations for (a) guaranteeing internal or external Loans for financing investment projects that are of major importance for the national economy; (b) loans intended for the prepayment of loans previously guaranteed with State Guarantees, provided the new ones have a lower financial cost.

funds must be used for (a) fostering development of the economy of the country and investment activities; (b) promotion of exports; (c) creation of new jobs and improvement of social and environmental conditions; (d) disaster relief and other emergencies; (e) prepayment, repayment, refinancing, restructuring of existing debt and guarantees; (f) financing the state deficit and covering short term cash needs of the Treasury. Debt can also be issued for on-lending purposes to finance investment projects, programs or priority activities of the state.

The requirement for external audits of debt management activities, policies, and operations, effectively implying performance audits[11], is mentioned in the *Law of the Republic of Moldova on the Court of Accounts* in Article 22(c). It states that "In exercising its functions the Court of Accounts shall carry out control over the (…) public debt formation and management, compliance with the state guarantees for domestic and foreign loans."[12] *The Law on Public Debt* also requires the MF to develop a debt management strategy, which is referred to as "the Annual Program of State Loans"[13]. The debt strategy, also described in the MTEF, establishes the objective of borrowings in the light of the debt service capacity.

Moldova scores high on the legal framework for debt management. It meets all the requirements for score B. The primary legislation provides clear authorization to the MF to borrow and issue guarantees on behalf of the central government. It also indicates the specific borrowing purposes, requirements to report annually to the Parliament and the government. Moreover, it requires external performance audits and the development of a debt management strategy. The MF adheres to the primary legislation. The requirements for score A, however, were not met as debt management objectives and mandatory reporting to Parliament were not indicated in the Law.

DPI-2 Managerial Structure

Dimension	Score
1. The managerial structure for central government borrowings and debt-related transactions.	A
2. The managerial structure for preparation and issuance of central government loan guarantees.	N/R
Overall score	A

The managerial structure for debt management is clearly divided between the political level and the single debt management entity - the General Division Public Debt ("Debt Office") - in the MF. The Debt Office (DO) is responsible for executing a formalized debt management strategy on behalf of the government. The responsibilities of the DO

[11] The mission team learnt from the Court of Accounts that this was interpreted to imply a performance audit.
[12] http://www.ccrm.md/en/actelegislative/
[13] Law no.419-XVI, Art. 4(1)(a)

include negotiating and contracting new loans, issuing state securities, maintaining the external debt database, forecasting external debt servicing, and preparing payment invoices.

The DO is composed of five divisions: External Financing and Debt, Internal Debt, On-lending, Analysis, Risk and Strategy (ARS) and External Cooperation (Figure 1). Within External Financing and Debt division two staff are responsible for negotiating and contracting new foreign loans and the remainder (5) are responsible for debt recording. This division is also in charge of recording and managing the external debt database and preparing payment invoices for external debt, excluding payments to the IMF, which is the responsibility of the NBM. The Internal Debt division is responsible for issuing domestic debt, T-bills and T-bonds. Although recording of domestic debt is done at the NBM, the MF has access to the data[14]. The On-lending division on-lends technical (in-kind) loans to legal entities. The ARS division's responsibility is to undertake analytical work, including formulating the debt strategy. It also provides debt servicing and debt forecasts to the General Division for Budget Synthesis ("Budget Department"), which prepares the MTEF. In addition, the ARS division maintains the recently established database of borrowing by local government (LG) and SOE. The External Cooperation division handles relations with international organizations.

In line with the Accord De Agent Fiscal[15] (agency agreement between the MF and the NBM), the NBM conducts auctions of T-bills and T-bonds on behalf of the MF. Comprehensive information sharing between the MF and NBM takes place regularly through two institutional committees. First, the Liquidity Management Committee[16] co-chaired by the Vice Governor of NBM and the Vice Minister of Finance meets every Tuesday to discuss liquidity forecasts for the coming week. Second, the Auction Commission entails operational and technical representatives from both the MF and the NBM, meets before each auction[17]. In the Auction Commission, it was learned that the responsibility for decisions regarding auctions, including those associated with the cut-off price is with the DO representative.

Borrowing activities and other debt-related transactions are undertaken without undue political interference. All but two external loans are concessional and within the framework of the PRGF program. The two non-concessional loans include road

[14] Via the DMFAS 5.3 domestic debt module that is operational.

[15] *Accord De Agent Fiscal* specifies the responsibilities with respect to organizing auctions in the name of the MF, registering securities in registry, payment of principal and interest on state securities, etc.

[16] Committee members are the Vice-Governor of NBM, the Deputy Minister of Finance, and the Director of the Monetary Policy and Research Department of the NBM.

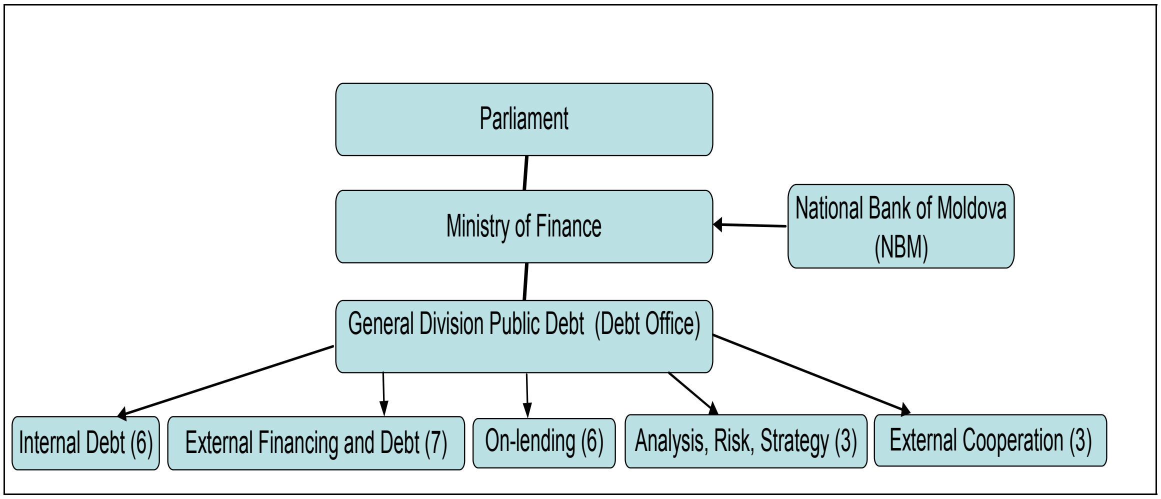
[17] Its main responsibilities include decisions regarding the auctions as given in the Instruction on Placement, Circulation and Redemption of State Securities Issued in Book-entry Form. 9 August 2007"(1) conducting auctions, (2) determining conditions with regard to prices and decision-taking on satisfaction of placed bids, (3) satisfying the bids placed in amounts higher or lower that then offered amount indicated in the official Communiqué of state securities issue, (4) conducting control over compliance with auction holding rules and conditions, (5) analyzing results of held auction."

reconstruction loans from the EIB and EBRD that were discussed and agreed with the IMF.

As the government discontinued issuing loan guarantees few years ago, this dimension of the DPI is not rated.

Figure 1: The managerial structure for central government borrowings and debt-related transactions

(Staff number indicated in brackets).



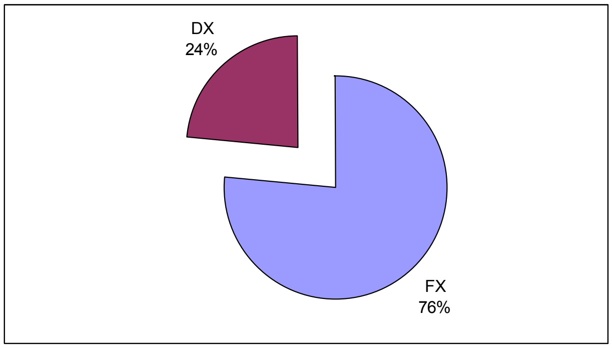
DPI-3 Debt Management Strategy

Dimension	Score
1. The quality of the debt management strategy document	D
2. The decision-making process, updating, and publication of the debt management strategy	C
Overall Score	D+

Moldova has a formal, three-year Debt Management Strategy (DMS) covering more than 90 percent of total central government debt. The strategy has clearly stated objectives: i) maintaining total state debt below a threshold expressed in nominal terms, ii) continued utilization of loans with a grant element not less than 35 percent, and iii) net debt repayments to the NBM, while rolling over the remainder through the issuance of new Treasury bills, and without contracting new central bank loans. Economic parameters are set by the macroeconomic department in the Ministry of Economy in consultation with the NBM, while the responsibility for debt forecasts lies entirely with the DO.

The debt strategy contains predominantly descriptive statistics for the forecast period. It entails a baseline scenario for external and domestic debt consistent with the three-year roll-over budget, a detailed description of the sources of financing and corresponding expected amounts as well as a breakdown of debt servicing costs. Although there are references to risks such as interest rate (borrow concessional), and rollover (elongate domestic maturities) risks, there is no mention of currency risks (three-fourths of total debt is denominated in foreign currency).

Figure 2: Currency composition of total public debt – foreign (FX) versus domestic currency (DX)



SOURCE: MOLDOVA LIC DSA 2008, DATA REFERS TO YEAR 2006

The DO is solely responsible for the preparation of the debt strategy, which is approved by the Minister of Finance, and published as part of the MTEF. As it is not a stand-alone document, the extent of information published in the strategy is determined by the Budget Department after approval of the DO. There is good coordination and information-sharing between the MF and the NBM[18]. In addition, NBM views on the debt strategy are obtained during the process. Broadly speaking, the state debt baseline is updated frequently, usually reflecting in retrospect effects of exchange rate changes. These debt developments are described in internal briefing notes to the Minister of Finance; at the same time, the developments are not mentioned in the strategy.

The DMS partially meets the minimum requirements for the first dimension that assesses the quality of the debt strategy. There is no reference, however, to currency risk or measures to support developments in the domestic debt market. As concessional lending can be obtained in a wide range of currencies, analysing the currency structure of government debt provides important insights regarding exchange rate risks. Moreover, the government's current experience with non-concessional lending will be likely further enhanced after the transition from an IDA to a blend country. Once financing needs can also be satisfied on the financial markets, established processes to assess all risk aspects will become essential for prudent debt management.

[18] Liquidity Management Committee and the Auction Commission; also see DPI -6 dimension 1 where the score is A and footnote 24.

On the second dimension, the NBM receives the draft MTEF document in which the DMS is reflected. Thus, it can be considered that the views of the central bank are obtained and, therefore, this dimension meets with the minimum requirement.

DPI-4 Evaluation of Debt Management Operations

Dimension	Score
1. Level of disclosure—in an annual report or its equivalent—of government DeM activities, central government debt, evaluation of outcomes against stated objectives, and compliance with the government's debt management strategy	C

The DO produces an annual report of its activities summarized by the Budget Department as part of the overall annual report of activities of the MF. At year-end, the report is discussed with the Cabinet of Ministers and the government decision is published in the Official Gazette. The report is also published separately on the Ministry's website[19].

The activity report contains, among others, information on meeting with the external debt thresholds, individual investment projects, succession negotiations with CIS countries regarding state debt as part of the breakdown of the Soviet Union, actions taken to manage external and domestic debt, descriptions of on-lending activities, and other international relation activities currently in the realm of the DO.

This dimension meets with the minimum requirements for a score C.

DPI-5 Audit

Dimension	Score
1. Frequency of internal and external audit of central government debt management activities, policies, and operations, as well as publication of external audit reports.	D
2. Degree of commitment to address the outcomes from internal and external audits.	C
Overall score	D+

The Court of Accounts (COA) is the supreme audit institution of the Republic of Moldova and is a member of INTOSAI and EUROSAI[20]. Official audit reports are performed annually and are posted on the COA website. In addition, audit reports

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[19] The mission team verified the same.

[20] External control is undertaken by the Court of Account, in line with Law no.847-XIII of May 24, 1996 on budget system and budget process and Law no.312-XIII of December 8, 1994 on the Court of Accounts.

covering the activities of the MF are submitted annually to the Parliament as part of the report on budget execution. The Court's findings are discussed during a public session.

So far, external audits of the government debt management activities, policies and operations (technically corresponding to a performance audit) have **not** taken place[21]. Every year external audits take place. However, these audits are financial in nature as emphasized by the Court of Accounts (COA), the auditor, and do not include the analysis of debt management activities, policies, and operations. More precisely, in the past, COA assessed the compliance of DO activities with the budget law (which corresponds to financial auditing).[22] This would be overcome once the COA strengthens capacity to undertake performance audits, which is currently taking place in the form of hiring new staff and training by certified European auditors. The DO has not been subject to internal audits. The minimum requirements for the first dimension are not met because the DO is not subject to performance audits.

In terms of the second dimension after every audit of the DO, the Ministry of Finance implemented measures to address concerns raised by the Court of Accounts (including for the recent audit concluded in May 2008). The MF is obliged by law to act upon COA recommendations and the audit results are presented to Parliament and published[23]. Thus, there is a strong commitment[24] from the DO to address the outcomes from external audits (internal audit of the DO was, however, not conducted and this constrains the score to C).

3.2 Coordination with Macroeconomic Policies

DPI-6 Coordination with Fiscal Policy

Dimension	Score
1. Coordination with fiscal policy through the provision of accurate and timely forecasts on total debt and debt service under different scenarios	C
2. Availability of key fiscal variables and/or an analysis of debt sustainability, and the frequency with which debt sustainability analysis is undertaken	C
Overall Score	C

[21] The audit of government debt management activities, policies and operations corresponds to a performance audit.

[22] During a meeting with the DeMPA team the COA representatives indicated that performance audits, i.e. audits of policies, activities and operations have **not** been carried out so far. Only financial audits have been performed every year. Moreover, the COA is in the process of hiring external company to train the COA staffs how to carry out performance audits.

[23] The score on the commitment from the DO to address the outcomes from internal and external audits was revised upwards based on the written clarifications provided by the MF.

[24] The Score is C because internal audits of the DO are not undertaken; to score B there should be commitment to address both external and internal audits.

The DO provides forecasts of debt service due and the outstanding stock of debt to the Budget Department. In turn, the DO receives information on key fiscal variables during the budget preparation cycle. The information flow between the budget and the DO is established, although not formally defined, and iterations during the process of budget preparation are a common feature. This said, the forecasts on debt are not subject to sensitivity analyses based on interest and exchange rate shocks.

The latest DSA for Moldova was prepared in February 2008 covering both domestic and external debt[25]. The DO provided data, but was not involved in the analysis itself. Two years earlier, the DO carried out a DSA required as part of the Paris Club debt restructuring. This exercise was, however, undertaken by external consultants and has not been taken up by the DO due to capacity constraints.

The regular and extensive information exchange between the DO and the Budget department represent the minimum requirements for score C for both the dimensions.

DPI-7 Coordination with Monetary Policy

Dimension	Score
1. Coordination with monetary policy implementation through information sharing on debt transactions and the government's current and future cash flows	A
2. Extent of a limit to direct access of resources from the Central Bank	A
Overall Score	A

In July 2006, Parliament passed amendments to the NBM Law establishing price stability as the bank's core objective, prohibiting direct lending to government (Chapter V, Article 37), strengthening independence of the NBM board members, and giving the NBM full authority over monetary policy. Under the new law the MF does not have access to financing from the NBM, without provisions for exceptional financing. The Law also establishes the NBM as the fiscal agent (Chapter V, Article 37). In September 2007, the fiscal agency accord was signed describing in detail the relevant duties and responsibilities of the NBM. One of the new provisions was that the central bank cannot purchase government securities in the primary market (Article 4, 4.1).

The NBM conducts the domestic debt auctions on behalf of the MF. All relevant decisions associated with the auction, such as the timing and tenor are the responsibility of the DO in consultation with the Auction Commission. The NBM issues its own, separate bills for sterilization purposes, which are of shorter maturity (7-, 14-, 28-day) and uses repos for meeting monetary policy objectives. The primary dealers are

[25] Published in the IMF website Country Report No. 08/139: Republic of Moldova.

informed and clearly differentiate between transactions taken for monetary policy and fiscal purposes[26].

Information sharing between the MF and NBM is conducted on a weekly basis (every Tuesday), within regular meetings of the Liquidity Management Committee (mentioned in DPI 2). The Committee discusses liquidity forecasts for the coming week. There is also regular weekly information sharing on debt transactions and central government cash flows[27].

The formalized regular and comprehensive information sharing between the MF and NBM as well as the legal framework preventing the monetization of the fiscal deficit indicates the highest score for both dimensions[28].

3.3 Borrowing and Related Financing Activities

DPI-8 Domestic Borrowing

Dimension	Score
1. The extent to which market-based mechanisms are used to issue debt, the publication of a borrowing plan for T-bills and T-bonds, and the preparation of an annual plan for aggregate amount of local currency borrowing in the domestic market, divided between the wholesale and retail markets	A
2. The availability and quality of documented procedures for local currency borrowing in the domestic market	A
Overall Score	A

The central government accesses the domestic market using market based instruments for all its domestic borrowing. The instruments are: T-bills with maturities of up to 1 year (91-, 182-, and 364-day) and state bonds with maturity of 2-year (floating rate[29]) and are subscribed to by primary dealers (12 in number). These are issued according to a detailed borrowing plan to which the government largely adheres to. The DO, in coordination with the NBM, determines the schedule of auctions on a quarterly basis

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[26] Mission was informed of this in a meeting with representative of the Mobias Bank – a very active primary dealer. It was also informed that there are tax benefits on T- bills/bonds for meeting government's borrowing program but not on those used for monetary operations.

[27] End-2007, balances on accounts of the Social and Health Fund were transferred to the Single Treasury Account in the NBM. Cash balances forecasted by the Treasury are shared with the NBM on a weekly basis. These forecasts appeared to be reliable, but a formal analysis to this end was not available.

[28] The mission discussed the score in DPI -3 (dimension 2) regarding the contribution of the NBM in defining the debt strategy. Because no formal comments are obtained by the DO for the debt strategy, which is an explicit requirement under the DeMPA tool, the score for DPI 3, dimension 2 fell short of the minimum requirements even though there is a high degree of information sharing between the DO and the NBM as shown in DPI 7 (dimension 2).

[29] Related to the interest rate with maturity of 182 days (average of last 6 weeks).

and publishes the plan on the NBM's website[30] five days before the beginning of the respective quarter[31]. This plan provides the auction dates as well as the amounts offered per type of security. In case supplementary auctions are planned, those are required to be announced five days in advance to market participants (Art 5.1 of Accord De Agent Fiscal).

On auction day, bids are collected until 10:00 AM, and then sent to the Auction Commission[32] that decides the cut-off rate. By 11:30 AM on the same day the auction results are published on the NBM's website; notifications are also sent electronically to all participants by 11:30 AM and transactions settled after 2 days (i.e. settlement: t+2).
All the terms and conditions, procedures and criteria describing the auction process and selection criteria for primary dealers, as well as their activities are published on the NBM's website. This process is regulated by the Instruction on Placement, Circulation and Redemption of State Securities Issued in Book-Entry Form published on the NBM website.

As per the DeMPA indicators Moldova scores A on both the dimensions of this indicator.

DPI-9 External Borrowing

Dimension	Score
1. Degree of assessment of the most beneficial/cost-effective borrowing terms and conditions (lender or source of funds, currency, interest rate, and maturity)	D
2. Availability and quality of documented procedures for borrowing in foreign markets	C
3. Availability and degree of involvement of legal advisors	B
Overall Score	C

External borrowing takes the form of concessional lending from multilateral and bilateral lenders. The DO ensures that every loan meets with the 35 percent concessionality (as part of the IMF-PRGF arrangement). There are only two exceptions embodied in the road reconstruction loans signed with the EIB and EBRD. These loans were discussed with the IMF as part of the PRGF arrangement. On an annual basis, there is no formal assessment of the most cost-effective terms and conditions for external borrowing. This dimension, therefore, does not meet with the minimum requirements as defined in the DeMPA.

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30 www.bnm.org/en/bnm_activity_agent_fiscal

31 The NBM, in turn, determines and modifies the list of primary dealers. It also analyses the activity of primary dealers on a quarterly basis.

32 Auction Commission has representatives of NBM and the MF. The Head of the Internal Debt attends the meeting.

Although the DO does not prepare term sheets as described by the DeMPA, there are clearly documented procedures for borrowing through foreign sources[33]. Every loan is entered into the debt recording system as soon as the transaction is completed (loan is signed by the MF). Moreover the same are checked by the Head/Deputy head of the External Financing and Debt Division. Thus, at present, this modality satisfies *in spirit* the requirement of terms sheet. Going forward, however, as the government starts borrowing on non-concessional terms and across a larger universe of lenders, the DO will need to formalize the analysis and presentation of the terms and conditions of the loans. Thus, for the present, based on in-depth discussions with the DO, this dimension was scored as meeting with minimum requirements (Score C)

Legal advisors from the Ministry of Finance (MF) participate in the debt contracting process at the negotiating stage as part of a working group that negotiates the terms and conditions of the loan directly with the creditor. In addition, some creditors require a legal opinion from the Justice Ministry prior to signing the loan agreement. This dimension meets with a score of B.

Overall, no formal assessment takes place of the most cost-effective terms[34] and conditions for external borrowing. While it could be argued that Moldova has little margin for the use of such assessments given its IDA status, the choice of a small number of concessional lenders so far is deliberate and could change in future. In addition, the assessment of a loan's cost-effectiveness gains in importance in light of Moldova's transition to a blend country. Once a market-access status is obtained, the DO should have an already established process of assessing different debt strategies and choosing the one corresponding to the government's cost-risk preferences.

DPI-10 Loan Guarantees, On-lending and Debt-related Transactions

Dimension	Score
1. Availability and quality of documented policies and procedures for approval and issuance of central government loan guarantees	N/R
2. Availability and quality of documented policies and procedures for on-lending of borrowed funds	C
3. Availability of a debt management system with functionalities for handling derivatives, as well as availability and quality of documented procedures for the use of derivatives	N/R

[33] The procedures for external borrowing are clearly documented in Law#419-XVI.

[34] Regular evaluation of the "all-in-cost" of each form of external borrowing as well as any complementary benefits offered by the lenders, such as grants and free technical assistance should be undertaken by the DO.. For instance, such a format is available on the following website: http://treasury.worldbank.org/Services/Financial+Products/Lending+Rates+and+Loan+Charges/index.html

Overall Score	C

While loan guarantees have been granted in the past and are foreseen in the legislation, the government (led by past sizeable bail out experience) has stopped issuing new guarantees in recent years. For this reason, the DPI on loan guarantees is not rated. The same applies for the use of derivative instruments, which are non-existent and, therefore, this DPI is also not rated. On-lending is performed in two ways: in kind and in cash. There are formal documented policies and procedures for the approval and lending of borrowed funds and thus the dimension scores C. Credit risk assessments, however, are not done for all types of on-lending (Box 1).

Box 1: On-lending

On-lending in Moldova takes two forms: in kind and in cash.

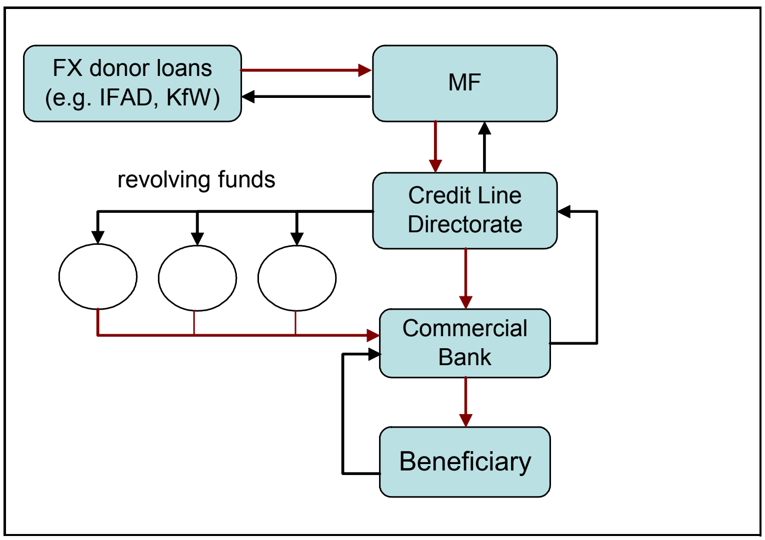
On-lending in-kind is analysed and approved within the DO, in the On-lending division. This type of lending is undertaken only to SOE and/or local governments (LG). The principal beneficiaries are the LG, which are also responsible for timely repayments. Credit risk assessments are not undertaken as the creditworthiness of the beneficiary is determined by the loan-to-revenue ratio: LG are allowed to borrow a total up to 20 percent of their revenues including concessional loans on-lent by the MF. This measure, however, appears to be difficult to implement over the entire loan maturity. Moreover, given that SOE and LG financing has been a subject of recent attention and registries exist only for the previous year, the 20 percent limit seems to be based on past data. More precisely, since 2007 loans contracted by SOEs and LG have been reported and subject to oversight by the MF. Central recording of SOE and LG obligations exists and is part of the ARS Division responsibility. The beneficiary of the loans bears the exchange rate risk and faces penalties by the Tax directorate in case the obligations stemming from on-lending are not honoured. In effect, debt servicing payments are secured through their deduction from central budget transfers to LG.

Cash on-lending is the responsibility of the Credit Line Directorate (DCL), an off-budget entity established by a special government resolution. This entity is claimed to be subject to MF internal auditing and reports quarterly and annually to its Board constituted of representatives from the MF, NBM, and Ministry of Economy. There is a lack of transparency regarding DCL activities as there are no reports published (either on the web or in print).

The on-lending takes place in several steps. In the first step, the government receives concessional foreign exchange denominated loans with maturities up to 15 years for, say, the development of SMEs (e.g. RISP1, RISP2). Financial terms of contracted loans are usually the LIBOR rate + 0.75 percent. In the second step, the MF adds a mark up amounting, on average, to 1-2 percent when providing the funds to DCL. In the third step, the DCL adds to the existing mark-up another 0.5 percent when providing roughly 10 commercial banks with the funds. The fourth step constitutes the credit risk assessment of the final beneficiaries by the commercial banks and the lending at a floating rate, which is adjusted every 6 months. The final rate is set by commercial banks. In that sense, the cost of borrowing may not represent a benefit to the SMEs, but the available long maturity is otherwise not available in the market.

The aforementioned 0.5 percent mark-up by the DCL finances its operational costs, while remaining surpluses after debt service repayments to the MF are channelled to revolving funds used again to finance projects through bank lending. The objectives and procedures for cash on-lending are specified in Law #419-XVI, Annex 4. These procedures outline that credit risk assessments are undertaken by the financial intermediary involved in the process as it is ultimately the commercial banks that bear the lending risk according to the law, while the beneficiary bears the foreign exchange and interest rate risk.

Figure 3: Cash on-lending



As of end-2007, DCL intermediated external loans for a total of 866 projects amounting to MDL 1.5 billion (USD 0.2 billion). Roughly 1/5 of the projects are associated with the World Bank's Rural Investment and Services Project (RISP1 and RISP 2).

3.4 Cash Flow Forecasting and Cash Balance Management

DPI-11 Cash Flow Forecasting and Cash Balance Management

Dimension	Score
1. Effectiveness of forecasting the aggregate level of cash balances in government bank accounts	B

2. Effectiveness of managing the aggregate cash balance in government bank account(s), including the integration with the domestic debt borrowing program	C
3. Where the Principal DeM Entity (or the DeM entities) operate(s) its (their) own bank accounts, the frequency of reconciliation of these bank accounts	N/R
Overall Score	C+

The treasury single account (TSA) is fully in place since March 2007. Almost 90 percent of the public budget is consolidated in the TSA, except for some investment projects (where donors earmark funds to separate accounts and those with the DLC). The Treasury is responsible for government cash balance forecasting, which are undertaken meticulously, and could be considered reliable. More precisely, the MF has reliable weekly projections of the aggregate level of overnight cash balances. Thus the score for this dimension is B.

On the second dimension, the effectiveness of managing cash balances in government bank accounts is somewhat limited. The government does not have to maintain any float in its account. The level of surplus cash balances is identified in the beginning off the fiscal year and this is then invested in NBM term deposits at average market interest rates. However, unanticipated but durable cash surpluses that occur within the year, are not invested in such deposits. These lie in the accounts earning minimal interest[35]. Considering that the MF does plan and does invest in term deposits, even though on an annual basis, the score for this dimension meets the minimum requirements for the DeMPA.

The third dimension has not been rated since the DO does not operate any bank accounts.

3.5 Operational Risk Management

DPI-12 Debt Administration and Data Security

Dimension	Score
1. Availability and quality of documented procedures for the processing of debt service.	D

[35] Despite improvements in cash balance management compared to previous years debt management and government cash management remain largely disconnected and is a matter for priority reform in the near future.

2. Availability and quality of documented procedures for debt data recording and validation, as well as storing of agreements and debt administration.	D
3. Availability and quality of documented procedures for controlling access to the central government debt recording/management system and payment system.	D
4. Frequency and off-site, secure storage of debt recording/management system backups.	A
Overall score	D+

The DO uses the DMFAS manual for the processing of debt service. It does not, however, have a customised procedures manual that describes the procedures for checking payment notifications with internal records before the payment is made or procedures for the authorization of internal payment orders. Despite the lack of customized documented procedures, the DO continuously checks payment notifications with internal records before the payments are made. The Head and her deputy also ensure dual authorization for internal payment orders. In case of a mismatch between the internal records and payment notifications, the DO contacts the creditor to reconcile data and checks the source of the disparity. Internal payment orders are generated in Excel and sent in a physical form to the Treasury. The Treasury then sends payment orders to the NBM for payment. These internal payment orders are subject to a minimum two-person authorization process (stamped and signed by the Head of the DO and the Head of the Treasury). All payments are made by due date.

On the domestic debt, the NBM has readily available procedures manuals for processing auction results. Auction outcomes are registered through a computerized system, which allows for electronic preparation and issuance of internal payment orders via straight-through processing. The NBM checks the debit orders sent by the commercial banks via SWIFT and executes the payment, which has as a standard two-person authorization requirement. Well functioning system allows for processing payments without delay. This said the minimum requirements for the first dimension are not met because there is no customised procedures manual for external debt describing procedures for checking payment notifications or for authorization of internal payment orders[36].

[36] In case of the DeMPA this is an important requirement given the problem of staff continuity and loss of institutional memory.

On the second dimension, both the DO and the NBM have readily available procedures manuals for debt data recording[37]. In addition, the NBM has documented procedures for data validation, as well as storing of agreements and debt administration records. However, similar documented procedures are not available within the DO for external debt. The debt data entries are, nevertheless, separately checked by the DO staff before the entries are deemed to be completed. DO staff ensures that debt data are constantly validated against received payment notifications. In case of external debt, all original signed copies of loan agreements and all debt administration records are stored and filed in a separate, secure room in a metal cabinet[38]. All domestic debt administration records are stored in a fireproof bunker outside the NBM. Overall the minimum requirements for the second dimension are not met because there are no documented procedures for external debt data validation.

On the third dimension, the DO does not have documented procedures for access to DMFAS. Although, there is a system administrator who assigns passwords and controls access to the DMFAS system, this entire process is person-specific and not institutionalised through documented procedures. The NBM, has documented procedures manual for controlling access to domestic debt recording system[39] and the procedures are adhered to. The minimum requirements are not met on account of the lack of documented procedures for controlling access to the external debt recording system.

On the fourth dimension, the external debt recording system backups are taken every evening and maintained on a separate server. These are then stored on tapes and a copy is maintained with the Administrator of State Enterprises[40]. The copies are kept in a secure and fireproof location outside the MF. In terms of domestic debt, backups are taken daily and stored in a fireproof location outside the NBM. Thus, the dimension meets with a score "A".

In sum, while administration processes in the DO function impeccably in practice, documentation (manuals) describing the processes in place does not exist. Consequently, this results in the aggregate score of "D+". These documented procedures are essential in ensuring efficient business continuity in a high turnover environment. In addition, they are indispensable in case of business disruptions.

[37] DMFAS 5.3 manual for external debt recording and a procedures manual for the NBM domestic debt recording system (developed by the NBM programmers).
[38] This was discussed with the head of the DO and since the loan agreements were kept in a metal cabinet, it was considered to be secure and fireproof.
[39] System designed and developed by the NBM.
[40] The mission was informed that the location is secure and fireproof since the records of the entire Ministries were maintained there.

DPI-13 Segregation of duties, staff capacity, and business continuity

Dimension	Score
1. Segregation of duties for some key functions, as well as the presence of a risk-monitoring and compliance function.	D
2. Staff capacity and human resource management.	D
3. Presence of an operational risk management plan, including business-continuity and disaster-disaster recovery arrangements.	D
Overall score	D

Although the staff involved in negotiating and contracting debt is clearly separated from the staff responsible for recording and payment of debt transactions, they are in the same division of the DO. Likewise, there is separation between staff arranging payments and those recording/accounting. There are different staff entering data and checking data. However, there is no person responsible for risk monitoring and compliance in DO and, thus, it does not meet the minimum requirements for this dimension.

The NBM has separate departments responsible for conducting the auctions, entering data in the book-entry system, and accounting. Every transaction is checked and authorized by the Head of the Budget, Finance and Accounting Department, and the Head of the Section, who is responsible for risk monitoring and compliance.

Most of the DO staff is adequately trained for the tasks that they are expected to perform, except for those in the ARS division that lack training[41] in risk management, developing debt strategies, and on concepts of financial markets. Staff turnover at the DO, is high. Job descriptions exist, but they are rather generic and are not frequently reviewed and updated to reflect changes in responsibilities. For the domestic debt auctions, borrowing calendar and other aspects of liquidity management that are relevant to debt management, the NBM appears to have sufficient and adequately trained staff whose job descriptions are reviewed and updated periodically. The overall score for this dimension, however, does not meet with the minimum requirements.

Although, the NBM has business-continuity and disaster recovery plans, this does not appear to be the case with the DO. Thus, the minimum requirements are not met for this dimension.

[41] Also mentioned by the Minister in the Wrap-up meeting with the mission.

3.6 DEBT RECORDS AND REPORTING

DPI-14 Debt Records

Dimension	Score
1. Completeness and timeliness of central government debt records	A
2. Complete and up-to-date records of all holders of government securities in a secure registry system	A
Overall score	A

The DO uses DMFAS ver. 5.3 for monitoring, settling, and accounting for external debt (70 loans). The DO has complete debt records within a one-month lag for central government external and guaranteed debt[42], as well as for all debt-related transactions, including debt restructuring. It also has a complete on-lending registry[43]. Domestic debt is recorded by the NBM in a debt recording system developed in-house; a mirror arrangement is also available with the DO (DMFAS ver 5.3 has a newly installed domestic debt module). The NBM has complete debt records within one-month lag and the records are updated in an accurate, timely and consistent manner. Requirements for the highest score are met for the first dimension.

The NBM's electronic registry has up-to-date and secure records of all holders of government securities, which are subject to an annual audit[44]. Moreover, all the transactions are backed up on a daily basis. Overall, requirements for the highest score are met for this dimension.

DPI-15 Debt Reporting

Dimension	Score
1. Meeting statutory and contractual reporting requirements of central government debt to all domestic and external entities.	A
2. Meeting statutory and contractual reporting requirements for total nonfinancial public sector debt and loan guarantees to all domestic and external entities.	B

[42] Recorded until 1999 when the last guarantee was issued.
[43] As stated in Art. 8(3) of the *Law on Public Debt* "Ledger of State Debt, Ledger of State guarantees and Ledger of on-lending from State borrowings are kept electronically by the MF and are the only official records on direct and contingent obligations of the Republic of Moldova, as well as on-lending from State borrowings."
[44] In 2007, this was done by Ernst & Young.

3. Quality and timeliness of the publication of a debt statistical bulletin (or its equivalent) covering central government debt.	D
Overall score	B

Moldova subscribes to the Special Data Dissemination Standard. Furthermore, it scores a 2+ in the World Bank's Debtor Reporting System. This signals minor problems (with improving trend) in case of the timeliness and completeness of reporting. The Government fulfils its statutory and contractual reporting requirements on central government domestic and external debt. Moreover, the debt data are with one month of the reporting time. Thus, the requirements for the highest score are met for the first dimension.

Reporting of total nonfinancial public sector debt and loan guarantees fully meets all statutory and contractual reporting requirements, with data that are within six months of the reporting period. At present, Moldova meets minimum requirements and higher at score B on this dimension.

Debt statistical bulletins covering central government debt are published quarterly on the NBM website. The bulletin provides information on central government debt stocks by creditor, residency classification, instrument, interest-rate basis. There is also information on debt flows as well as debt ratios/indicators. In order to meet with the minimum requirements for this dimension, this debt statistical bulletin should include information on debt stocks by residual maturity, and currency composition.

ANNEX 1 MEETING SCHEDULE

Debt Management Performance Assessment Mission
April 7 – 14, 2008

Sunday, April 6		
	Arrival	
Monday, April 7		
9:00 – 9:45	World Bank Office in Moldova – Methodology Meeting	Melanie Marlett, Country Manager for Moldova, Lawrence Bouton, Senior Economist
13:15 – 14:00	Minister of Finance, Debt Office – Presentation on DeMPA	Natalia Agapii, Head of the External Financing and Debt Division/Acting Head of the Debt Office
14:00 – 15:30	Meetings with officials from the Ministry of Finance dealing with: - Budget or economic affairs (coordination with fiscal policy and debt management, DSA)	Vasile Bulicanu, Head of General Division for Budget Synthesis Emilia Pruzanskaia, Deputy Head of General Division for Budget Synthesis
15:45 – 17:30	Debt Department officials heading: - front office (negotiations) - middle office (analysis, research, data reporting, forecasts) - back office (data system, password controls, reporting)	Victor Martinenco, Deputy Head of Internal Debt Division Ina Balan, Deputy Head of the External Financing and Debt Division Oxana Pui, Head of the Analysis, Risk and Strategy Division Parascavia Grama, Head of On-Lending Division
17:00	SIDA	Lilia Razlog, National Programme Officer
Tuesday, April 8		
9:00 – 9:40	National Bank of Moldova	Victor Cibotaru, First Deputy Governor

10:00 – 16:00	Officials from the National Bank of Moldova working on: - Department of Monetary Policy and Research - Monetary Instruments and Forecasts Division - Market Operations Division - Department of Budget, Finance and Accounting - Legal Division - - Department of Payments - Internal Audit Department - External Relations Department	Andrei Rotaru, Director Silvia Lizanciuc, Head Lidia Gordienco, Head, Natalia Zabolotnii, Director, Chief Accountant Alexandru Pelin, Head Igor Munteanu, Director Galina Balanov, Comptroller General Aurelia Busuioc, Director
16:00	Ministry of Finance, Debt Office	Ina Balan, Oxana Pui
Wednesday, April 9		
9:00	IMF	Johan Mathisen, Res Rep
10:00	Court of Accounts	Elizaveta Foca, Deputy Chairman of Court of Accounts Gheorghe Cojocari, Ecaterina Pacnehad, Members of the Court of Accounts
11:30	Mobiasbanca	Nicolae Dorin, First Vice-Chairman of Administrative Board
13:00	Ministry of Finance, Debt Office State Treasury	Natalia Agapii Alexandru Prohnitchi, Deputy Director
Thursday, April 10		
9:30	Credit Line Directorate	Raisa Cantemir, Head
14:00	European Union Delegation to the Republic of Moldova	Alexadru Osadcii, Project Manager
16:00	United States Embassy	Ernest Ahicillan, Economic and Commercial Officer
Friday, April 11		

9:30	Ministry of Finance, Debt Office	Natalia Eni, IT Specialist Alexandru Prohnitchi
	Presentation of the Results to the Debt Office	Natalia Agapii
15:00	Wrap-up with Mariana Durlesteanu, Minister of Finance	