



# EU Technical Assistance Project Preparation Facility (PPF)

## Project Steering Committee Meeting

Chisinau, 12 March 2021  
10am – Sala Mare, Ministry of Finance



## Project overview

- Official title: *“Support the Moldovan Government in Identifying and Preparing Projects Linked to the Implementation of the Association Agreement”* or **Project Preparation Facility (PPF)**...
- A **58-month** service contract of **€6 million** – started in September 2020;
- 3-month Inception Phase completed end of November, **Inception Report & Workplan** approved in December 2020;
- The main beneficiary of the Project is the Ministry of Finance;
- Assistance will also be provided to selected line ministries and municipalities.



## EU PPF Project Objectives

The Project objectives are set in 4 Components...

**Component 1** – External assistance management & coordination.

**Component 2** – Public investment management  
(MoF; *top-down* process).

**Component 3** – Public investment management  
(line ministries; *bottom-up* process).

**Component 4** – ‘Project pipeline’.



## EU PPF Project design

4 Project **Components**  
(ToR)

13 Expected **Results**  
(ToR)

58 **Activities**  
(operational planning – Inception Phase)

**Deliverables**  
(culmination of an Activity workflow)



## EU PPF Project *deliverable* typology (1)

- ✓ **Analytical Note:** papers containing an analysis of the current situation in a specific focus area, relating this to theory as well as international practice. The purpose of these papers is to increase the understanding of beneficiaries on strengths and weaknesses of processes and systems and for designing improvements.
- ✓ **Technical Note:** papers outlining measures to improve specific processes and systems.
- ✓ **Workshop:** events, including thematic roundtables and broader conferences, for beneficiaries and other key stakeholders aimed at either: disseminating experience and technical information; or gathering information or establishing a common understanding on a specific topic.



## EU PPF Project *deliverable* typology (2)

- ✓ **Study Visits:** visits to EU countries or other peer countries to gain experience and insight, or participation to international trainings/conferences.
- ✓ **Training:** design and delivery of specific courses aimed at increasing knowledge and skills of beneficiaries.
- ✓ **On-the-job coaching:** a continuous process of assisting beneficiaries with their day-to-day work, and with using new and revised systems, thereby building specific competences and clarifying technical issues to enhance performance.
- ✓ **Provision of information:** part of on-the-job training/coaching; assistance to the beneficiaries to access electronic information, publications and other relevant material.



## Resource Utilisation – Experts days (end of February 2021)

Position	ToR	Used	Remain
KE1 – Team Leader	600	70	530
KE2 – Economic Development	600	63	537
KE3 – Public Investment	600	48	552
KE4 – External Aid Management	600	56	544
Senior NKE	2000	505 (contracted)	1495
Junior NKE	1600	380 (contracted)	1220



## Resource Utilisation – Incidentals (end of February 2021)

TOTAL BUDGET FOR INCIDENTALS AS PER TOR	€ 600,000
TOTAL PLANNED INCIDENTALS NB: including €200,000 provision for software and outsourcing	€ 454,200
UNPLANNED INCIDENTALS BUDGET	€ 145,800
TOTAL USED INCIDENTALS	€ 550



## Progress to date – Component 1

- **Analysis of external assistance system** articulated in Regulation No. 377 of April/2018 modified by Regulation No. 458 Sept/2019 and of basic functions based of the MoF External Aid Directorate (EAD) Charter of May 2020 – conducted during Inception Phase.
- **Workshop:** “Review of MoF EAD organisation and operations” was conducted from 2 to 4 March 2021.
- **Technical Note:** “Assessment of the Aid Management Platform (AMP) and recommendations for functionality upgrade” delivered in November 2020 during the Inception Phase.



## Planned to June 2021 – Component 1

- **Technical Note:** Survey of AMP users to gather feedback on system and possible further improvements (March 2021 – originally planned for February).
- **Technical Note:** Proposals for improving the organisational and procedural arrangements, IT solutions, and human resource base of EAD (April 2021) – NB: *based on the findings of the March Workshop*.
- **Technical Note:** Upgrade of AMP functionalities (May 2021).
- **Analytical Note:** Training needs assessment of MoF EAD personnel (June 2021).



## Issues for consideration – Component 1

- Considerable work has been done or on-going on the analysis of the **external assistance system**; the role, functions and challenges faced by the MoF EAD.
- ... the excessive workload of the MoF EAD leaving little time for reflecting on strategic issues.
- Upgrading of the **AMP tool** is moving faster than expected also due to the commitment shown by the Centre of IT in Finance (CITF).



## Progress to date – Component 2

- Review of current status of public investment project appraisal procedure and recommendations for improvement – originally planned for October 2021, completed in February.
- **Proposal to revise existing Regulation 1029 (2013)** on public investment submitted to MoF which is in the process of consultation within MoF (NB: *The Project's Technical Note will be finalised in the next days*).



## Planned to June 2021 – Component 2

- **Analytical Note:** Status of public investment planning framework in relation to PIMA 2019 recommendation (June 2021).
- **Training Needs Assessment** of personnel in MoF units on financial analysis and risk assessment skills (March 2021) prepared – link: <https://forms.gle/NDpoNaLVRjYxt7VAA>
- **Design of the Training Course** in financial analysis and risk assessment; design (May 2021).



## Issues for consideration – Component 2

- Revised **national appraisal procedure for public investment projects** would need to be in force before the start of the MTBF 2022-2024 cycle.
- The procedure can be readily automated for online submissions by Central Public Authorities initiating investment project proposals – Register of Public Investment Project (RPIP).



## Progress to date – Component 3

- Following instruction by MoF, entered into contact and conducted **series of meetings** with:
  - Ministries of Education & Science; Health, Social Protection & Labour,
  - Ministry of Agriculture, Regional Development & Environment (National Ecological Fund and Regional Development sector),
  - Ministry of Economy & Infrastructure (Energy sector) *planned*.
- Contact established and meeting planned with Chisinau Municipality.
- In the process of designing a **Training Course** on modern costing techniques.



## Planned to June 2021 – Component 3

- **Analytical Note:** Selection of Public Institutions as Project beneficiaries (March 2021).
- **Delivery of the Training Course** on modern costing techniques (30, 31 March and 1 April 2021) – link: <https://forms.gle/QNrgYE4TBaoiZfhm6>





## Issues for consideration – Component 3

- Access to line ministries and agencies has been slow, and at times problematic, despite the referral from MoF.
- Capacity limitations, limited human resources is likely to be a considerable challenge in providing comprehensive assistance to line ministries and agencies (e.g. in many cases there is nobody clearly responsible for public investment...).



## Component 4

- No deliverables are planned under this Component for this and the following reporting period.
- Activities under this Component are a derivative of work in components 2 and 3.
- Key issue: **definition of the 'project pipeline'** process that would suit and serve the Moldovan context.



## Ad hoc requests by the MoF

Issues addressed during the Inception Phase:

- **Briefing Note:** Comment on the European Investment Bank Finance Contract and EU grant contribution for the Energy Efficiency Project;
- **Briefing Note:** Comment on the Concept Note on 'Climate Investment and Innovation Fund Program' in Moldova;
- **Briefing Note:** Comment on the Indicative Terms and Conditions proposed by China Railway 14<sup>th</sup> Bureau Group to finance the Ring Road of Chisinau Project;
- **Briefing Note:** Preparation, scrutiny and distribution of the prospectus for transferable securities (Eurobonds).



## Ad hoc requests by the MoF

Issues addressed more recently:

- Responded to urgent request for advice on **T-bill issuance**.
- Provided advice on the issue of **trading Government Securities** in the Moldovan Stock Exchange.
- Assisted in matters concerning the **extension of the 2013-2020 PFM Strategy** and the implementation report of the 2020 Action Plan – also requested by EUD.



## Communication & Visibility Plan

- Communication & Visibility Plan under preparation as per EU Guidelines.
- The Project will also provide to the MoF – to be discussed in the coming days.



## Discussion