



EaPTC

Eastern Partnership
Territorial Cooperation

MOLDOVA

Guide to the National Requirements Relevant for the Implementation of Projects Financed under EaPTC Programme in the Republic of Moldova



The Programme is funded
by the European Union



Territorial Cooperation Programmes open an opportunity for Eastern Partnership countries to identify and jointly address common challenges in their border regions towards sustainable economic and social development at a local level. Eastern Partnership Territorial Cooperation (EaPTC) comprises four territorial cooperation programmes: Armenia – Georgia, Azerbaijan – Georgia, Belarus – Ukraine and Moldova – Ukraine.

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All information given in this Guide reflects the actual status as of 1 November 2014. Later changes to the legislative and administrative framework could not be taken into account.

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DEFINITIONS

For the purpose of this Guide, the notions below shall be defined as follows:

The database of the foreign assistance shall mean the ensemble of documented information kept by the State Chancellery of the Republic of Moldova in hard copy and in an automated informational system, which keeps records on the foreign assistance projects and programmes implemented in the Republic of Moldova. It can be accessed online on www.ncu.moldova.md

Donor (Foreign Development Partner) shall mean a country, group of countries, an international organisation, which finance the implementation of projects, surveys or other types of activities, aimed at handing over financial means, assets, knowledge or technologies to the Republic of Moldova.

Evaluation shall mean an estimation of the results of a project or programme and examination of the extent, to which the project results are integrated with the general objectives of sector development and/or of the Government programme.

Grant shall mean a contractual relation by which the Donor transfers to the Beneficiary certain financial means, intended for the implementation of a project/programme, not subject to reimbursement.

Joint Decision Making Committee: a joint structure to ensure full ownership of the territorial cooperation programme by the two participating countries.

Managing Authority: an organisation, a public or a private consortium, an international or a local consortium, contracted by the Donor (European Commission) to bear the overall responsibility for operational and financial management and implementation of the Programme.

Monitoring shall mean a system of methodical gathering of information throughout the implementation period, which is created for measuring the project/programme relevance, efficiency, effectiveness, impact and sustainability in order to provide administrative information to the Managing Authority and the National Coordination Authority, thus enabling them to react on time and take effective measures of improvement/recovery.

National Coordination Authority shall mean the national institution authorised with the coordination at the national level of the foreign assistance provided by donor countries and international organisations.

Partnership Agreement: a legally binding document signed by the Project Beneficiary and all Project Partners to ensure a shared understanding of the project especially in regard to the exact role and responsibilities of each Partner.

Project Beneficiary (lead partner): an organisation signing the Grant contract with the EaPTC Programme Managing Authority and bearing overall responsibility for project implementation. It is usually referred to as the 'Contractor' under Moldovan national legislation.

Project Partner: an organisation implementing the EaPTC Programme Project jointly with the Project Beneficiary (lead partner), without signing the grant contract with the Managing Authority but signing a Partnership Agreement with the Beneficiary.

Sub-Contractor: an organisation (or individual) contracted by the EaPTC Programme project Beneficiary or by the Project Partner to provide some services (e.g. translation, travel...), equipment and supplies, or works (e.g. construction).

Technical assistance (cooperation) shall mean the transfer of knowledge, including technologies, methodologies and techniques.



PURPOSE

This Guide provides brief and comprehensive practical information on national requirements and procedures to be followed in the Republic of Moldova when implementing projects financed under the Eastern Partnership Territorial Cooperation Programme in the Republic of Moldova.

The information provided is based on the practical experience of project implementation and financial management by Moldovan governmental bodies, regional and local authorities and NGOs.

This Guide will be useful in particular for the Moldovan project Beneficiaries and partners of the Moldova-Ukraine Joint Operational Programme. It will also be helpful for EaPTC Programme managers, project applicants/partners and others from outside Moldova who need to understand what is required for project implementation in Moldova.

The Guide is designed to provide practical support with users reading the relevant topics as needed.

HOW TO USE THIS GUIDE

The following steps, with a number of relevant topics, are presented in the Guide in regard to national regulations and the experience of Moldova organisations in implementing international projects:

- Project registration;
- Project start-up and implementation; and
- Project audit and reporting.

Throughout the Guide, you will find references to a variety of legislative acts and forms, most important of which are provided in Annexes to the Guide (Part 4). Other relevant documents can be found on the websites of the official bodies of Moldova. Website links to these documents are provided throughout the Guide.

The information in this Guide is focused on requirements in Moldova. There are also EaPTC Programme requirements and procedures to be followed which can be found in the relevant programme implementation manuals.

ACKNOWLEDGEMENTS

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This Guide was updated by the expert Mrs. Mariana Puntea.



Part 1

Project registration



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1.1. LEGAL BASIS

Projects financed under Eastern Partnership (EaP) initiative are covered by the EU Moldova Framework Agreement, signed on May 11, 2006. The Agreement states that actions financed wholly or partly by the EU should be exempted of any taxes and custom duties. In order to benefit of these provisions, beneficiaries/partners should apply for national project registration procedure, described in Government Decision no. 246 dd. April 8, 2010 and Government decision no. 12 dd. January 19, 2010.

The registration procedure is not mandatory, but in order to benefit of any fiscal and/or custom incentives the project shall be registered. More detailed information on specific national registration procedure is presented in the next section.

Compendious

- The project should be registered in order to benefit of any fiscal and/or custom duties;
- It is not a mandatory requirement;
- There is a specific national regulation which describe the registration procedure to follow.

1.2. PROJECT REGISTRATION

After the Grant Contract is signed, it is advised to start the registration procedure.

The project shall be registered at the State Chancellery which is the national aid coordination authority. Beside other aid coordination functions, the institution is responsible for keeping the track of foreign external assistance received by Moldova. It records projects /programmes in the Aid Management Platform (www.amp.gov.md), also called country external assistance database.

Thus, the beneficiaries of EaP funds are encouraged to submit the registration application to make use of provided exemptions, as well as to contribute to accurate data collection on external assistance inflow.

To comply with national registration requirements, the applicant shall:

Step 1

Fill the project fiche in both Romanian and English languages, available on Aid Management Platform (www.amp.gov.md);

Step 2

Present as annexes to the completed project fiche the following documents:

- copy of service contract's provisions which contains the name of the beneficiary/partner, managing authority, the donor (i.e. EC), budget and the validity of the contract;
- copy of Partnership Agreement;
- copy of terms of references (in case of territorial cooperation projects – "Application form");
- other relevant documents, if required.



Step 3

Inform the State Chancellery and the Office for Cross Border Cooperation under the State Chancellery through an official letter about the application for project registration.

Contact body, contact details:	<p>State Chancellery, Division for policy, strategic planning and foreign aid. Address: of. 456, 1 Piata Marii Adunari Nationale, Chisinau, MD 2033. Tel. +373 (22) 250 444 email: daniela.solomca@gov.md www.ncu.moldova.md</p> <p>Office for Cross Border Cooperation Programmes Address: of. 510, 180 Stefan cel Mare str., Chisinau, MD 2033. Tel/fax. +373 (22) 214 201 email: mariana.punea@jts.md; tatiana.udrea@jts.md www.jts.md</p>
List of documents to be submitted:	<p>Application for registration of projects and its inclusion in the list approved by Annex 1, Governmental Decision nr. 246 dd. 08.04.2010 contains the following documents:</p> <ul style="list-style-type: none"> • Registration statement for the project (completed in English and Romanian on-line www.amp.gov.md); • Extract copy of the Grant contract that contain the name of the Contracting Authority, the cost of the Action and the period of implementation of the contract; • Description of the Action of the project.
Documents to check:	<p>The project is included in the list of ongoing projects: Governmental Decision nr. 246 dd. 08.04.2010, Annex no. 1.</p>

PAY ATTENTION THAT

In case of substantial changes in the information presented above, the Beneficiary/Partner shall submit the draft statement for the State Chancellery with appropriate amendments, documents showing changes and materials which specify additional project activities. All documents necessary for registration of a project are presented in the original language.



Part 2

Project start-up and implementation



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2.1. OPENING A BANK ACCOUNT

According to the Programme requirements the preselected applicant must provide a Financial identification form (Annex V to the Grant Contract) with the bank account in Euro (in original), annex attached to the Guidelines for applicant, certified by the bank to which the payments will be made.

Opening an account by non-profit and non-commercial organisations

The non-government and non-commercial organisations, residents of the Republic of Moldova, can open one or several accounts in Moldavian Lei and/or foreign currencies in any bank of the Republic of Moldova with its consent, observing the legislative framework.

After receiving the positive decision of the bank's manager shall open the account and, conclude the relevant contract or any other documents commonly agreed upon by the parties, as in accordance with the legislation in effect of the Republic of Moldova.

Legal framework	Regulation on Opening, Modification and Closing of Accounts with Licensed Banks of the Republic of Moldova approved by the Decision of the Council of administration of the National Bank of Moldova No. 297 dd. 25 November 2004
Contact body, contact details:	Ministry of Finance www.mf.gov.md National Bank of the Republic of Moldova www.bnm.org
Documents necessary to open a current account:	<ul style="list-style-type: none"> • application to open an account; • copy of the registration certificate of the company issued by the State Registration Chamber attached to the Ministry of Justice of the Republic of Moldova, or other notarised documents which confirm state registration according to the legislation in force; • notarised copy of the incorporation document (charter, regulation, establishment contract etc.); • notarised copy of the attribution of the fiscal code; • certificate of fiscal registration (presented separately for every account); • signatures specimen and notarised sample of the seal (in duplicate); • extract from the State Commercial register which confirms an authorised person to manage the company issued by the State Registration Chamber or regional bodies of the State Registration Chamber; • copy of the Identity Card of the authorised person.

Opening an account by a public and public-equivalent body

State/public bodies and institutions (including subordinated budget institutions which are financed from State budget), regional and local authorities can open an account in national or foreign currency only in the treasury system operated via the state owned bank “Banca de economii”. As constituent parts of one budgetary system, they are based on a unified state policy as it concerns the budgetary and accountancy legislation.

All extra-budgetary resources of public and public equivalent bodies coming from grant sources should be accrued on the extra-budgetary accounts of respective regional subdivisions of the State Treasury following the category 003 “Grants”.

These procedures are regulated by the decree of the Ordinance of the Ministry of Finance No. 24 “On the Approval of the Rules on Servicing, Counting and Controlling Extra-budgetary Resources of State and Other Entities”.

The Public bodies shall submit to the Ministry of Finance (State Treasury) the estimation of costs of extra-budgetary resources according to the procedures and template approved by the Minister of Finance and in compliance with the project budget. The estimation of costs of extra-budgetary resources is included in the State Budget of the Republic of Moldova, approved by the Law on State Budget. The grant received by the public bodies shall be included in the income of either state or community budget. Consequently, the costs should be used in line with the procedure set forth by budgetary legislation.

Legal framework	<ul style="list-style-type: none"> • Ordinance of the Ministry of Finance on accounting and reporting provisions for the project implementing units, financed from external sources and implemented within the regional and local public authorities No 24 dd. 26 March 2009 • Ordinance of the Ministry of Finance on management of special means of the public institutions financed from the State budget, no. 94 dd. 31 December 2004
Contact body, contact details:	<p>Ministry of Finance www.mf.gov.md</p> <p>National Bank of the Republic of Moldova www.bnm.org</p>
Documents necessary to open a current account:	<ul style="list-style-type: none"> • Request letter to open a treasury account; • copy of the project document (contract, awarding letter,); • copy of the registration certificate of the public institution (local public administration), or other documents which confirm state registration according to the legislation in force; • certificate for attribution of the fiscal code; • certificate of fiscal registration (presented separately for every account); • signatures specimen and notarised sample of the seal (in duplicate); • copy of the Identity Card of the authorised person.
Type of account:	Accounts of Group 41202 “External grants” (obligatory for governmental organisations and institutions).

2.2. RECEIVING AND TRANSFERRING MONEY INTO AND OUTSIDE OF THE REPUBLIC OF MOLDOVA

According to the Programme requirements (Annex L. Partnership Agreement, art. 4.4) the Project beneficiary has to transfer within 15 working days the budget allocation to the Project Partner(s). Pre-finance amounts shall be transferred on the separate opened account by the Partner(s).

The regulatory framework and procedures for conducting foreign exchange operations are set by:

Legal framework	<ul style="list-style-type: none"> • Law of the Republic of Moldova No. 62XVI "On Foreign Exchange Regulation", dd. 21 March 2008 • Regulation on conditions and procedure for conducting foreign exchange operations" approved by Decision of the Council of Administration of the National Bank of Moldova No.8, dd. 28 January 2010
Contact body, contact details:	National Bank of the Republic of Moldova www.bnm.org

A. To transfer the pre-financing:

The institution awarded by a grant as a Lead Partner in order to make a transfer through a bank account should:

- apply to the relevant bank or Treasury unit (in case of public institutions);
- present identity document (ID card of the authorised person);
- provide the information of the recipient and its bank account number, name of the bank of the recipient and the amount to be transferred;
- provide the supporting documents as a basis for transfer (Grant Contract and Partnership Agreement, registration form);
- inform the recipient the amount of the funds transferred, as well as the amount of service fees charged from that amount (if applicable).

The bank may transfer money from the bank account of the sender only upon the instruction of the authorised person of the account holder.

Usually, the transfer from a bank account in the Republic of Moldova is made maximum within three working days.

For transfers made in foreign currency an IBAN cod is mandatory.

PAY ATTENTION THAT

Different legal provisions are applied to transfer inside the country (to other Moldovan Partners) and outside the country (to Ukrainian Partners).



Transfers to/from project partners outside the Republic of Moldova

Payments and transfers within current foreign exchange operations from a Moldovan beneficiary to a non-resident partner shall be made without restrictions by submitting to the licensed bank justifying documents (Grant Contract and Partnership Agreement).

Payments and transfers within capital foreign exchange operations from a Moldovan beneficiary to a non-resident partner shall be made by submitting justifying documents to the licensed bank and are subject to authorization of the National Bank of Moldova only in cases stipulated by the Law on Foreign Exchange Regulation No. 62-XVI as of March 21, 2008.

The authorization of foreign exchange operation represents the permission of the National Bank of Moldova to perform foreign exchange operation by issuing the respective Authorization. The procedure of the NBM authorization issuance is established by the NBM normative acts.

The cross-border payments and transfers within foreign exchange operations between the residents and non-residents may be received /made in national or foreign currency. Payments and transfers between residents and non-residents on the territory of the Republic of Moldova shall be made in national currency, as well as in foreign currency, except for the cases provided for in art. 20 para.(2) of the Law on Foreign Exchange Regulation No. 62-XVI dd. March 21, 2008.

Transfers to/from project partners inside the Republic of Moldova

Payments and transfers between institutions residents (public or private) shall be made on the territory of the Republic of Moldova in national currency. The cases when payments and transfers between residents on the territory of the Republic of Moldova may also be made in foreign currency are provided for in art. 21 para.(2) of the Law on Foreign Exchange Regulation No. 62-XVI dd. March 21, 2008 (humanitarian aid ad technical assistance cases).

The rules of receiving/making by residents and non-residents of payments and transfers within foreign exchange operations, including the requirement of submitting justifying documents on receiving /making of such payments and transfers are established by the National Bank of Moldova.

Contact body, contact details:	<ul style="list-style-type: none"> • Bank where the project account is opened. • Territorial treasury unit where the account for the public and state institutions is opened.
List of documents which could be requested by the bank/treasury:	<ul style="list-style-type: none"> ✓ For outgoing transfers from the Moldovan Beneficiary (Lead Partner) to foreign partners: <ul style="list-style-type: none"> • copy of the grant contract; • project registration form submitted to the State Chancellery of the Republic of Moldova or project registration code according to the Government Decision 246 dd. 08.04.2010; • copy of the partnership agreement, duly signed; • other justification documents; • documentation. ✓ For outside transfers from the Moldovan Beneficiary/partner to foreign subcontractors or suppliers: <ul style="list-style-type: none"> • copy of supply or service agreement; • supply documentation or act on work completion.

B. To receive the transferred pre-financing it's necessary to:

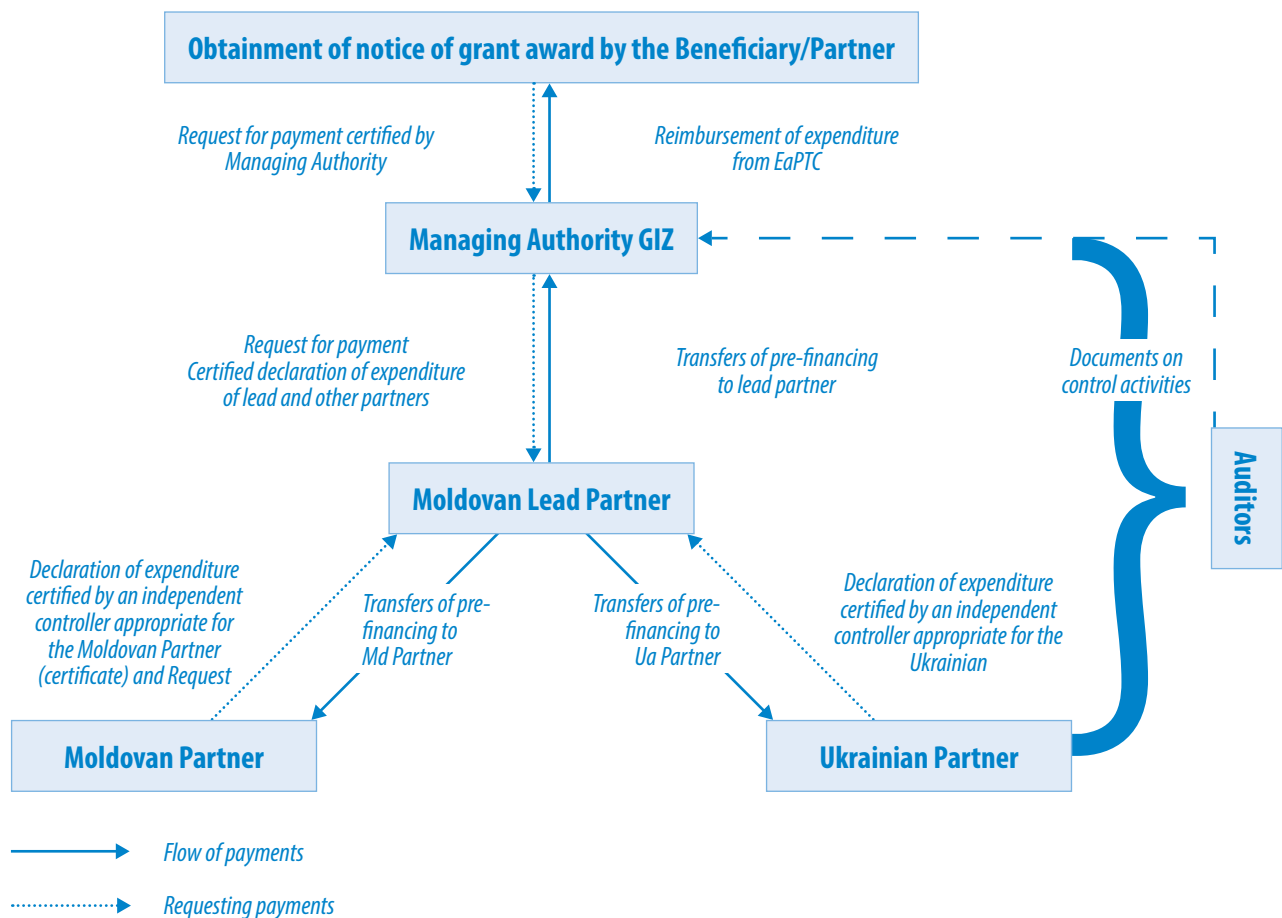
- visit relevant bank or territorial Treasury unit where the project bank is opened,
- present an identity document to the relevant officer¹,
- tell the officer the bank account number,
- verify the amount of the funds transferred to the bank account with the amount indicated by the sender,
- require the transferred amount.

PAY ATTENTION THAT

The Partnership Agreement contains the detailed procedures, amounts to be received/transferred and indicate the documents that will be used to transfer money to the Beneficiary in Moldova or to the project partner outside of Moldova, as well as procedures for the return of unspent or ineligible funding from Moldovan partner to the Beneficiary abroad;

Please provide all relevant explanations to the bank authorities or treasury authorities that the payments/transfers are done within a technical assistance programme.

The financial flows within a grant project are described below:



¹ The bank will make payments only by the request of persons who submitted signatures when opening of the bank account.

2.3. FOREIGN CURRENCY EXCHANGE

There are no special national regulations concerning currency exchange within a grant contract for Moldovan Beneficiaries and Partners.

However, some national legal acts set up provisions to be taken into consideration while reflecting the money flows into project accountancy. Thus:

Legal framework	<ul style="list-style-type: none"> • Law on Foreign Exchange Regulation No. 62XVI dd. 21 March 2008 • Regulation on Conditions and Procedure for Conducting Foreign Exchange Operations approved by the Decision of the Council of Administration of the National Bank of Moldova No. 8 dd. 28 January 2010 • Ordinance of the Ministry of Finance on Accounting and Reporting Provisions for Project the Implementing Units Financed from External Sources Implemented within the Regional and Local Public Authorities No 24 dd. 26 March 2009 • Instructions of the Ministry of Finance No 85 dd. 9 October 1996 "On Accounting Evidence for Public Institutions" • Instructions of the Ministry of Finance No. 137 dd. 25 November 1998 "On Accounting Evidence of Local Authorities"
Contact body, contact details:	<p>Ministry of Finance, State Treasury www.mf.gov.md</p> <p>National Bank of the Republic of Moldova www.bnm.org</p>

According to Annex 2 of General Conditions to the Grant Contract, the Contracting Authority shall make payments to the Beneficiary's bank account referred to in the financial identification form (Annex V), which allows identification of the funds paid by the Contracting Authority. The Contracting Authority shall make payments in the currency set in the Special Conditions, in case of Moldova Ukraine Joint Operational Programme – Euro.

Reports shall be submitted in the currency set out in the Special Conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the Beneficiary's/Partner's applicable legislation and applicable accounting standards. In such case and for the purpose of reporting, conversion into the currency set in the Special Conditions (Euro), shall be made using the rate of exchange at which the Contracting Authority's contribution was recorded in the Beneficiary's accounts.

In the case of buying national currency for executing payments within the project, two documents should be submitted to the bank, an order for the exchange of a particular amount of Euro, and a payment order (an order for the payment of a certain amount in MDL to the supplier from the account in MDL).

The currency exchange system is different for public institutions and local and regional authorities. The amounts in the foreign currency account could be converted in MDL on request by presenting a request for selling/buying foreign currency

at the State Treasury or a corresponding territorial treasury unit according to a set model. On the basis of the selling/buying request the treasury unit is making the converting operation from the foreign currency account to the national currency accounting of the project.

PAY ATTENTION THAT

Costs incurred in other currencies than the one used in the Beneficiary(ies)'s accounts shall be converted using the monthly InforEuro on the date of payment available on the <http://ec.europa.eu/budget/inforeuro>.

While reflecting the operations we have to keep in mind that there will be different types of exchange rates used in the project bookkeeping, for the national reporting system and for the EC reporting system:

- For the non-state organisations, the currency exchange rate of the bank where project accounts are opened. This is the rate used for exchanges from the Euro account to MDL accounts;
- For the public institutions and local/regional authorities, the National Bank currency exchange rate will be used (www.bnm.org). The Moldovan bookkeeping system requires that all transactions and bookkeeping should be denominated in Moldovan lei so there is a necessity to record the grant money received and paid in Euro in the internal bookkeeping of the Moldovan Beneficiary. In this case, exchange rates established by the National Bank (official exchange rate of Moldovan Leu against foreign currencies) should be used.
- For all project transactions, the European Commission exchange rates which are applicable <http://ec.europa.eu/budget/inforeuro>. Exchange rate losses deriving from the differences in national currency exchange rates and rates indicated by the European Commission cannot be covered by the ENPI CBC Programme grant funds.

Exchange rates differences that occur in the accountancy of organisations financed from the state budget should be allocated to the increase or reduction of their sources of financing, and further negative differences should be written off to the increasing of their expenditure.

Exchange rates differences that occur in the accountancy of organisations financed from sources other than the state budget should be allocated to the increase or reduction of their income and expenditure, and further negative differences should be written off to the increasing of their expenditure.

There are no national legal regulations for exchange rates differences. Thus, according to the EU regulations, all negative exchange rates differences should be financed by the Beneficiary.

PAY ATTENTION THAT

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to amending the Action in order to lessen the impact of such a fluctuation.



2.4. PROJECT ACCOUNTING REQUIREMENTS

According to the conditions set up in the General Conditions (Annex II to the Grant Contract), the Beneficiary/Partner shall keep accurate and regular accounts of the implementation of the Action using an appropriate accounting and double-entry book-keeping system.

The accounts project accountancy:

- may be an integrated part of or an adjunct to the Beneficiary(ies)'s regular system;
- shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
- shall enable income and expenditure relating to the Action to be easily traced, identified and verified.

The Project Beneficiary/Partner shall ensure that any financial report can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Beneficiary/Partner shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

Moldovan Beneficiaries/partners are recommended to provide two types of bookkeeping:

- Regular bookkeeping in their own accounting system according to national requirements;
- Project financial management in accordance with EaPTC Programme rules, with project managerial accounting in accordance with project budget lines and positions.

In organizing their internal bookkeeping system, Moldovan Beneficiaries/Partners shall apply internal financial reporting in accordance with current legislation of the Republic of Moldova which is in line with International Financial Reporting Standards (IFRS). Thus the following legal provisions have to be respected by institutions depending on their legal status:

Legal framework	<ul style="list-style-type: none"> • Instructions of the Ministry of Finance No 85 dd. 9 October 1996 "On Accounting Evidence for Public Institutions" • Ordinance of the Ministry of Finance on Accounting and Reporting Provisions for Project Implementing Units Financed from External Sources and Implemented within Regional and Local Public Authorities No 24 dd. 26 March 2009
Contact body, contact details:	Ministry of Finance, State Treasury www.mf.gov.md

The first type of bookkeeping implies that all expenses in the framework of the project must be borne by Beneficiaries and partners and reflected in their internal bookkeeping system, as is required by the Grant Contract stipulating the criteria of eligible costs. For the project financial management purposes, separate project managerial accounting should be elaborated, based on the corresponding positions of the project budget.

PAY ATTENTION THAT

All relevant contracts, invoices and bills should contain a clear reference to the project and remark “Within the framework of the Project (project name) registered in the database of international technical assistance programmes and projects of the State Chancellery of the Republic of Moldova on (date of registration) under No. (registration number)”.

Proper invoicing and relation of internal bookkeeping to the project managerial accounting will help to separate financial documents related to the project from all other documents of the Beneficiary.

The Beneficiary/Partner shall allow verifications to be carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority. The Beneficiary/Partner has to take all steps to facilitate their work by allowing these entities to:

- access the sites and locations at which the Action is implemented;
- examine its accounting and information systems, documents and databases concerning the technical and financial management of the Action;
- take copies of documents;
- carry out on-the-spot checks;
- conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Action.



2.5. TAX EXEMPTION - VAT AND CUSTOMS DUTIES. INCOME TAX

Two types of legal norms regulate taxes and fees in Moldova:

- Material norms set up the rights, obligations and responsibilities of both the taxpayer and tax administration,
- Procedural norms contain rules on the method of computing and collecting taxes and fees, etc.

The legal basis of the tax system of the Republic of Moldova is the Fiscal Code approved by Law no. 1163/1997, republished, with subsequent amendments and additions. The Customs Code and the Law on Customs Tariffs describes principles and procedures for imports of goods. These legal acts satisfy the main requirements of any tax system, as follows: definition of income sources; specification of collection techniques and procedures; structuring the technical staff to be able to accomplish the fiscal policy; providing efficiency of resource generation process, as well as conditions for tax exemptions.

In order to benefit of any fiscal and/or custom incentives the project shall be registered, following the provisions described above in the Part 1 "Project registration".

PAY ATTENTION THAT

Only, after the project is registered, it is included in the list of on-going projects exempted from any taxes applied in Moldova, approved through the Government Decision no. 246 dd. April 8, 2010. The list is published in the Official Gazette ("Monitorul Oficial"). The list is updated quarterly.

2.5.1. VAT exemption

The mechanism for VAT exemption is described in the Government Decision no. 246 dd. April 8, 2010. The document contains the list of agreements and memorandums to which the Republic of Moldova is a party and has the commitments to apply exemptions, as well as the list of exempted projects. It also explains the national mechanism on the application of these provisions, which is, in general, described below.

In order to benefit from the application of VAT exemption on the delivery of works, commodities and services used for the purpose of implementation of projects financed under the EaPTC Programme, the contractor/implementing institution should prepare the following set of documents:

- Copy of the extract from the list of projects approved through the Government Decision no. 246 dd. April 8, 2010 where there is an explicit mention about the title of the project, beneficiary (or partner), implementing institution and the international agreement;
- Letter issued by the donor, recipient or beneficiary confirming that the procurement or delivery is for the sole purpose of project implementation;

In case of purchases of commodities and services on the territory of the Republic of Moldova for the purpose of implementation of projects, the local suppliers shall deliver goods and services at a zero rate VAT and shall issue a tax invoice.

Local suppliers shall deliver commodities and services at a zero rate VAT to implementing institution or contractors of the project on the basis of a copy of the certificate (letter) issued by a donor agency or by a partner organisation of a technical assistance project on the official letterhead, in order to be submitted to the local supplier. VAT amounts paid by local suppliers



for commodities, services purchased to be delivered as commodities, services at a zero rate VAT are accounted in accordance with Article 102 of the Tax Code. In the event that local suppliers make deliveries mainly at a zero rate VAT, the suppliers are entitled to claim VAT reimbursement in accordance with Article 101, paragraph (5) of the Tax Code.

2.5.2. Exemption from Customs duties

The mechanism for Customs duties exemption is described in the Government Decision no. 246 dd. April 8, 2010.

The document explains the national mechanism on the application of these provisions, which is, in general, the same as described in Section 2.5.1. above. In general terms, in order to benefit from exemptions from custom duties on imported goods used for the purpose of implementation of projects financed under the EaPTC Programme, the contractor/implementing institution should prepare the following set of documents:

- Copy of the extract from the list of projects approved through the Government Decision no. 246 dd. April 8, 2010 where there is an explicit mention about the title of the project, beneficiary (or partner), implementing institution and the international agreement;
- Letter issued by the donor, recipient or beneficiary confirming that the goods are imported for the sole purpose of project implementation;

Customs Services, following customs and tax legislation, clear the imported goods (including via intermediaries on the basis of tender) intended for the implementation projects, exempted from VAT, excise duties, customs duty and customs procedures duty, in accordance with the provisions of international treaties to which the Republic of Moldova is a party.

2.5.3. Income Tax

The mechanism of income tax exemption is described in the Government Decision no. 246 dd. April 8, 2010. An overview of these provisions is given below.

- According to par. (A) of Article 4 of the Tax Code 1163-XIII dd. 24 April 1997, if an international treaty governing taxation or containing rules governing taxation, to which Moldova is party, provides other rules than those specified in the Tax Code or other national legislation, the provisions of such international treaty shall apply.
- Simultaneously, under par. (3) 54 of the Tax Code 1163-XIII dd. 24 April 1997, the income of resident employees working under international treaties on technical and humanitarian assistance, to which Moldova is a party, are taxed as generally established, if the international treaty doesn't provide otherwise.
- According to art 3, p. 3.5 of the Framework Agreement signed between the EU and the Republic of Moldova on 11.05.2006, ratified by Law nr. 426-XVI dd. 27.12.2006 in respect to all contracts financed by the EU, foreign contractors and their employees other than citizens or permanent residents of the Beneficiary Country, shall be exempt from the value added tax, business and income tax, obligatory social insurance contributions, mandatory payments levied in the territory of the Beneficiary Country.

Thus, within projects financed under the EaPTC Programme:

- Moldovan citizens and permanent residents of Moldova are subject to income tax, obligatory social contributions etc. as generally established.
- Foreign contractors and their employees (if not permanent residents in Moldova) are exempt from taxes, social contributions and other mandatory payments (as described above).



Legal framework	<ul style="list-style-type: none">• Framework Agreement between the Republic of Moldova and Commission of the European Communities dd. 11.05.2006• Tax Code, no. 1163-XIII dd. April 24, 1997• Governmental Decision no. 246 dd. 08.04.2010 “On How to Apply Zero VAT Rate on Supplies of Goods, Services in the Country and Granting of Customs Tax Incentives for Ongoing Technical Assistance and Investment Projects Covered by International Treaties to which Moldova is Party”. Official Gazette nr. 52-53/308 dd. 14.04.2010• EU Moldova Framework Agreement signed on May 11, 2006
Contact body, contact details:	Ministry of Finance, State Treasury www.mf.gov.md



2.6. HUMAN RESOURCES

Legal framework	<ul style="list-style-type: none"> • Labour Code of the Republic of Moldova (N 154-XV dd. 28.03.2003) • Civil Code of the Republic of Moldova. (1107-XV dd. 06/06/2002)
Contact body, contact details:	Ministry of Labour, Social Protection and Family www.mmpsfc.gov.md

2.6.1. Recruiting staff for project implementation

When hiring persons for the project implementation, it may be preferable to conclude fixed date labour contracts. Legislation expressly provides the cases when fixed date labour contracts might be concluded (art. 54, Labour Code of the Republic of Moldova (N 154-XV dd. 28.03.2003)).

Concluding an individual labour agreement with foreigners would involve a preliminary procedure (announcement of the vacancy, waiting period) and consent of the National Agency on Labour Force. Under Moldovan legislation, a foreigner may be employed in Moldova, unless there is a national specialist that can perform the same duties and have adequate education and/or experience.

Moldovan legislation does not provide for any specific requirements in respect of employees selection. However, general guidelines for making a good selection of employees include:

- Establishing criteria for employees' according to necessary skills and knowledge requirements;
- Organizing interviews with the applicants;
- Evaluating the applicants (the evaluation shall be done by preliminary organised evaluation committees) according to the established criteria.

Members of the project team should be directly employed by the project partners' organisation. The contract should be dated and register within the organisation. The labour contract should include: function within the team; working time for the project (hours per day and number of months); salary payable per month (in € and national currency). The working time should be identical as in the Budget for the Action.

PAY ATTENTION THAT

Have a working (labour) contract with the Beneficiary or Partners are usually subject to specific national or organisational rules regarding salary, timetable, holidays, etc. Receive a monthly salary supported by salary slips. Their social charges are paid by the employer. Usually work in the premises of the employer and use its facilities (telephone, computers, etc.) Travel and subsistence costs for project missions can be included under the respective budget lines.



2.6.2. Subcontracting external national expert

When hiring national experts, the preferable option is to use the “Service agreement”. The expert (service provider) is engaged as an independent sub-contractor and shall provide to the Beneficiary/partner his or her professional services in some specific area. This agreement is regulated by Art. 970-979 of the Civil Code of the Republic of Moldova (Civil Code of the Republic of Moldova, Law 1107-XV dd. 06/06/2002) and does not constitute an employer/employee relationship. In comparison to the labour contract, the Beneficiary/partner pays a reward for the contractor’s services only after the services have been completed and the corresponding service report (deed of work acceptance) has been provided.

Social and medical security norms are also applicable to the experts working under the agreement conditions. These costs are normally included in the service contract and are part of the expert fee rate

In order to hire foreign experts, the preferable option is to use the “Service agreement”. The expert (service provider) shall provide his or her professional services in some specific area to the project Beneficiary/partner. This agreement is regulated by Art. 931-945 and Art. 970 - 979 of the Civil Code of the Republic of Moldova and does not constitute an employer/employee relationship.

This form is preferable for foreign experts as no national requirements on social security should be applied. However medical insurance payments shall be done and included in the service contract (in the expert fee rate). Please see procedures and recommendations for income tax exemption under Title 7.

PAY ATTENTION THAT

Have a service contract which is subject to the relevant procurement rules.

- The specific conditions for the delivery of the service are described in the contract.
- Receive fees after the submission of invoices, in accordance with the payment conditions in their contract.
- Their social charges are paid by themselves.
- Usually work in their own premises, or on-site where the services are to be delivered, and use their own resources (such as computers) which are included in their fee rate and cannot be included as incidental costs in their contracts.
- Travel and subsistence costs for project missions are included in their contract as incidental costs and included in the relevant Budget Heading.



2.7. PAYING TRAVEL COSTS AND PER-DIEM TO MOLDOVAN AND FOREIGN EXPERTS

The procedure regulating the delegation within the country and abroad for employees of Moldovan entities, reimbursement of travel costs and per diems is established by the Government Decision no. 10 dd. 05.01.2012.

PAY ATTENTION THAT

Only provisions of this Regulation defines the procedures to be followed and apply to all natural and legal persons, of public and private law, which held entrepreneurial activity, non-profit organisations, including public institutions, no matter what activity, type of ownership and legal form of organisation.

Legal framework	Governmental Decision no. 10 dd. 05.01.2012 approving the Regulation regarding the delegation within the country and abroad for employees of Moldovan entities. Official Gazette of the Republic of Moldova nr. 7-12 dd. 13.01.2012
Contact body, contact details:	Ministry of Labour, Social Protection and Family www.mmps.gov.md
Documents necessary to be able to travel:	<ul style="list-style-type: none"> • Travel order/ travel card • Invitation

According to the Decision, the following issues are important to be followed:

- Assigning employees to travel abroad and issuing the order/ travel card is made based on the organisation's manager approval, stating the purpose and term of deployment and the host country/destination.
- A travel report should be submitted to the attention of the head of the entity and to the council of the public authority within 5 working after return from the trip.
- The travel costs to be reimbursed to the employee are calculated according to the information presented in the order or travel card and travel documents presented within the time limit, for which the employee has been seconded.
- If the employees will perform the activities during the weekend or holiday, the compensation of work for these days is done in accordance with the law in place.
- The daily allowances and accommodation costs rates are stated in the Annex 2 of the Degree. The per diems can be paid in Moldovan lei (in cash or other forms) for trips in Moldova or in foreign currency for trips abroad.
- In cases when the trip is financed by the means of an inviting organisation, the employer should not reimburse costs related to that trip. If this financing is done partially, the remaining part should be reimbursed by the employer (for the organisation receiving finance from state or community budget, rates adopted by the Annex 2 of the Decree.

There are two circumstances under which payment of travel and per diem expenses will be done:

- Participation of Moldovan and foreign experts/employees in project activities in Moldova;
- Participation of Moldovan experts/employees in project activities outside of Moldova.



Participation of Moldovan and foreign experts in project activities within Moldova:

- In order to travel within the country the heads, deputy heads and other empowered persons should approve the order or travel card.
- The employee shall be paid an advance in the national currency if the delegation is within the country.
- Transport expenses are reimbursed on the basis of a calculation and an invoice, supplemented by a route sheet, in case the employee has been sent on a business trip by the organisation. Physical persons have a possibility to reimburse their transport expenses by means of a postal money order (project recipients will need to have their passport data and original tickets).
- In case the travel documents are not presented, the compensation for transport services expenses within the country shall be made according to the minim tariff.
- In case the travel documents for the accommodation have not been presented, the compensation for the delegation within the country will constitute 25 MDL.
- If the delegation of employee is for one day within the country, allowances are not paid.

Participation of Moldovan experts in project activities outside of Moldova:

- In order to travel abroad the heads, deputy heads and other authorised persons should approve the order, which specify the aim, period and destination of travel.
- The employee shall be paid in advance in foreign currency in accordance with Annex no. 2 to Decision if the delegation is outside the country. If the payment in advance has not been performed, the compensation is made in MDL.
- The date of border crossing is determined according to notes made within the passport at border control.
- The budget amount allocated for foreign trips is given to the partners from outside Moldova who pays accommodation and transportation expenses for the Moldovan partners.
- In case the travel documents for the accommodation have not been presented, the compensation for the delegation outside of the country will constitute 10% of the rate per night.

PAY ATTENTION THAT

If the delegation of the employee is for one day outside the country, allowances are payable in the amount of 50% of the rule set.



2.8. ADMINISTRATIVE COSTS: CALCULATING AND ACCOUNTING FOR PROJECT OFFICE SPACE

The indirect costs for the action are described in the General Conditions, art. 14.7 as those eligible costs which may not be identified as specific costs directly linked to the implementation of the Action and may not be booked to it directly according to the conditions of eligibility. However, they are incurred by the Beneficiary(ies) in connection with the eligible direct costs for the Action. They may not include ineligible costs or costs already declared under another costs item or heading of the budget of this Contract.

The indirect costs are calculated as a fixed, maximum rate of 7% of the total amount of direct eligible cost and may include heating, electricity, cleaning, gas, security, telephone, fax, mail, courier and internet.. Flat-rate funding in respect of indirect costs does not need to be supported by accounting documents. This amount shall not be taken into account with regard to the maximum amount of simplified cost options.

Indirect costs shall not be eligible under a grant for an action awarded to a Beneficiary who already receives an operating grant financed from the European Union budget during the period in question.

Beneficiaries and partners can provide space in their office for the activities of the project team or the conduct of project activities. The following example of calculating costs for project office space can be used when no separate office for the project is rented.

- Total area of the building (S total) equals to 1000m
- Total usable area (office area) (S total usable) equals to 700m²
- *Building Utilization Index (BUI)* is defined as the ratio of the total building area to the total usable area:
 - o $BUI = S \text{ total} / S \text{ total usable} = 1000/700 = 1.43$
- Space occupied by the project office (S project) equals to 40m² (as defined on the basis of a company's internal order on assignment of premises)
- Total area used for the project purposes (S total project):
 - o $S \text{ total project} = S \text{ project} \times BUI = 40 \times 1.43 = 57.2\text{m}^2$
- Project share in the building utility's costs is defined as a ratio of the total area (S total project) to the total building area (S total):
 - o $Project \text{ Index (PI)} = S \text{ total project} / S \text{ total} = 57.2 / 1000 = 0.0572$
- The amount of utility's costs compensated by a project equals to the amount of utility's costs for the calculation period for the building in general, multiplied by the Project Index $2.000.000 \times 0.0572 = 114.400$.

2.9. OWNERSHIP OF EQUIPMENT, INVESTMENTS, INTELLECTUAL PROPERTY AND PROJECT RESULTS

Ownership of the project results, reports and other documents, as well as ownership of equipment and supplies within the EU financed projects are described in the Article 7 of the grant contract “General Conditions”, usually modified by grant contract “Special Conditions”.

All specific clauses related to the project ownership issues can be included in the Partnership Agreement. In this document the project partners are entitled to describe and specify their rights at the beginning and at the end of the project, specifying clearly both the distribution of intellectual and industrial property rights and the ownership of equipment. If there are no final beneficiaries of the Action to whom the equipment, vehicles and supplies can be transferred, the Beneficiary(ies) may transfer these items to: local authorities, local Beneficiary(ies), local affiliated entity(ies), another action funded by the European Union, or, exceptionally, retain ownership of these items. In such cases, the Coordinator shall submit a justified written request for authorisation to the Contracting Authority, with an inventory listing the items concerned and a proposal concerning their use, in due time and at the latest with the submission of the final report.

At the end of the project the equipment, vehicles and supplies purchased by the project budget should be transferred to the final beneficiaries according to the grant contract rule “transfer of ownership”. In this case copies of the proofs (delivery – acceptance certificates) of transfers, the purchase cost of which was more than 5.000 EUR per item, must be attached to the project final report. Proofs of transfer of equipment and vehicles whose purchase cost was less than EUR 5000 per item shall be kept by the Beneficiary(ies) for control purposes.

The transfer of equipment to Moldovan organisations shall comply with the national regulations. It should be supported by the relevant documents confirming the receipt and placing the equipment on the balance sheet.

Intellectual and industrial property rights and ownership of project results and documents belong logically to the Partners as they implement the project. However the European Commission have the right to freely use all the documents related to the project (except for the project reports) provided that they are not breaching existing industrial and intellectual property rights.

When relevant, the transfer of the property rights is based on a separate agreement between the Beneficiary and a project partner. This agreement is called “Contract on transfer of property without compensation” and should be accompanied by delivery-acceptance certificates signed by both parties. To ensure that the property has been booked in the balance sheet of the partner organisation, the Beneficiary can request the following documents from the partner:

- Inventory cards (in case of fixed assets) with indication of responsible persons for an equipment item;
- Account sheet (Account “Fixed assets” or “Non-durable goods”);
- Account analysis (Account “Fixed assets” or “Non-durable goods”);
- Registers (records) in the Ledger concerning transfer and taking fixed or current assets on the balance.

In case the Beneficiary is a governmental body (regional or local authority), the Decision of the Executive Committee is needed to transfer the property to other partners. The Decision should have a clear reference to the project name and registration data as well as a list of recipients, name and number of units, price of the equipment or rights to be transferred.



2.10. PROCUREMENT OF SERVICES, EQUIPMENT AND SUPPLIES

2.10.1. General principles:

According to the art. 4 of the Law on Public Procurements the national requirements for procurement procedure are not applied in case of contracts regulated by other procedural norms on the basis of the international agreements signed by the Republic of Moldova and other or more third countries as concerning the acquisition of works, supply and services necessary for the implementation of a project by the involved parties (countries).

Legal framework	Law on Public Procurements No. 96-XVI dd. 13.04.2007
Contact body, contact details:	Ministry of Finance, Agency on Public Procurements www.tender.md

PAY ATTENTION THAT

Both the bodies financed from the budgetary means and the non-state organisations should follow the requirements on secondary procurements set by the European Commission for external actions in the Annex IV to the Grant Contract.

2.10.2. Common rules applicable to all tender procedures:

If the implementation of an action requires procurement of services, supplies or works by the grant beneficiary, the contract award procedures specified in Annex IV of the grant contract must be applied for each procurement contract. Should the grant beneficiary fail to comply with Annex IV, the related expenditures will not be eligible for Union financing. The Annex IV contains the set of main principles to be applied. One of those main principles is the Rule of nationality and origin. This rule is not described in details and Annex IV makes reference to Practical Guidelines for EU External Actions (PRAG)². Depending on the type of secondary procurement, the Beneficiary refers to the corresponding Chapter and Annexes of the PRAG – Chapter 3 and Service Annexes for service contracts, Chapter 4 and Supply Annexes for supply contracts, Chapter 5 and Works Annexes for works contracts.

The tender documents must be drafted in accordance with best international practice. If they do not have their own documents, Beneficiaries may use the models published on the European Commission's web site relating to external actions. The time-limits for receipt of tenders and requests to participate must be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.

All requests to participate and tenders declared as satisfying the requirements must be evaluated and ranked by an evaluation committee on the basis of the exclusion, selection and award criteria announced in advance. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

PRAG only foresees the ex-post check by the Contracting authority of the secondary procurement carried out by Beneficiaries in grants. Usually it is performed after the tender completion but before the signature of the contract with the selected contractor.

² <http://ec.europa.eu/europeaid/prag/document.do>.



2.10.3. Rules or origin and nationality:

Nationality Rules

In Annex IV to the Grant Contract it is stated that participation in tender procedures administered by the Beneficiary is open on equal terms to all natural and legal persons of the EU Member States and the countries foreseen in art 21 of the ENPI regulation, which includes ENPI, IPA and EEA countries. The exact list of eligible countries can be found in the Annex A2 to the PRAG. It is also open for International organisations.

The nationality rule applies to the contractor. It does not however apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the grant. This means that when an expert is proposed by a contractor, the nationality rule does not apply to the expert but to the company but if the expert is contracted individually, then this person has to be from an EU Member State or an ENPI, IPA or EEA country.

Rules of Origin

The rule applies to ALL supplies and materials purchased, incl. the materials to be used for the construction, but does not apply to Contractor's equipment to be used during the construction. Goods originating from a country shall be those wholly obtained or produced in that country. Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture.

PAY ATTENTION THAT

The contractor (supplier) must present a certificate of origin to the Beneficiary for all equipment and vehicles of a unit cost > € 100.000. The certificate should be issued by the competent authorities of the country of origin.

Exceptions from Nationality rule and rule of origin: can be granted by the JM by derogation only. It can never be justified for the reason that a product would be cheaper than the Community or local product. It can only be justified if the products are unavailable in the markets of the countries concerned, for reasons of extreme urgency or if the realisation of a project/programme/action would become impossible or exceedingly difficult due to the eligibility rule. At least a market research should be presented as basis for justifying the request for derogation.

There are no provisions on respect of "rule of origin" and "rule of nationality" In the Moldovan legislation Nonetheless, the project beneficiaries/partners shall respect the "rule of origin" and the "rule of nationality" in accordance with the Grant Contract even when using their co-financing, so that these costs are considered eligible costs for the grant budget. The requirement on rules of origin and nationality rules should be inserted in the Terms of Reference while preparing the tender dossier.

EU Member States	Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.
ENPI Partner Countries	Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestinian Authority of the West Bank and Gaza Strip, Russian Federation, Syria, Tunisia, Ukraine.



IPA Countries	The Former Yugoslav Republic of Macedonia, Turkey, Montenegro, Albania, Bosnia, Serbia, Kosovo.
EEA	Iceland, Lichtenstein, Norway.
International organisations	

2.10.4. Applicable procurement thresholds under ENPI CBC Grant Contract (Annex IV to Grant Contract)

The Annex IV to the Grant Contract establishes the following procurement thresholds for the acquisition of services, supplies and works:

Services	≥ EUR 300 000 International restricted tender procedure	< EUR 300 000 but > EUR 60 000 Competitive negotiated procedure without publication		≤ EUR 60 000 The procedures established by the Beneficiary ³
Supplies	≥ EUR 300 000 International open tender procedure	< EUR 300 000 but ≥ EUR 100 000 Local open tender procedure	< EUR 100 000 but > EUR 60 000 Competitive negotiated procedure	
Works	≥ €5,000,000 International open tender procedure	< EUR 5 000 000 but ≥ EUR 300 000 Local open tender procedure	< EUR 300 000 but > EUR 60 000 Competitive negotiated procedure	

Annex VI provides as well the cases when the Beneficiary may use the negotiated procedure on the basis of a single tender.

³ However the rules and principles laid down in sections 1, 2 and 3 of the Annex IV of the Grant Contract.

Part 3

Project audit and reporting



3.1. EXPENDITURE VERIFICATION (HOW TO FIND AND APPOINT AN AUDITOR IN MOLDOVA)

According to specific requirements of the EC Grant Contract, projects are requested to attach an expenditure verification report to their financial reports and requests for payment produced by an external independent auditor, which is selected directly by the beneficiaries/partners from a short list established at the national level by a body in charge of accrediting the auditors and of ensuring the quality of their work. This represents the decentralised model of control system.

The independent auditor must be a member of the International Federation of Accountants (IFAC) or a member of a national accounting or auditing body or institution and commits to undertake this engagement in accordance with the IFAC standards and ethics as set out in the Terms of Reference for expenditure verification, attached to the Grant Contract and described in detail in the Annex VII. The auditor has to be approved by the Managing Authority:

Legal framework	<ul style="list-style-type: none"> • Law on Audit Activity, No. 61 dd. 16 March 2007 • Law on Public Finance and Fiscal and Budgetary Responsibility
Contact body, contact details:	Ministry of Finance www.mf.gov.md

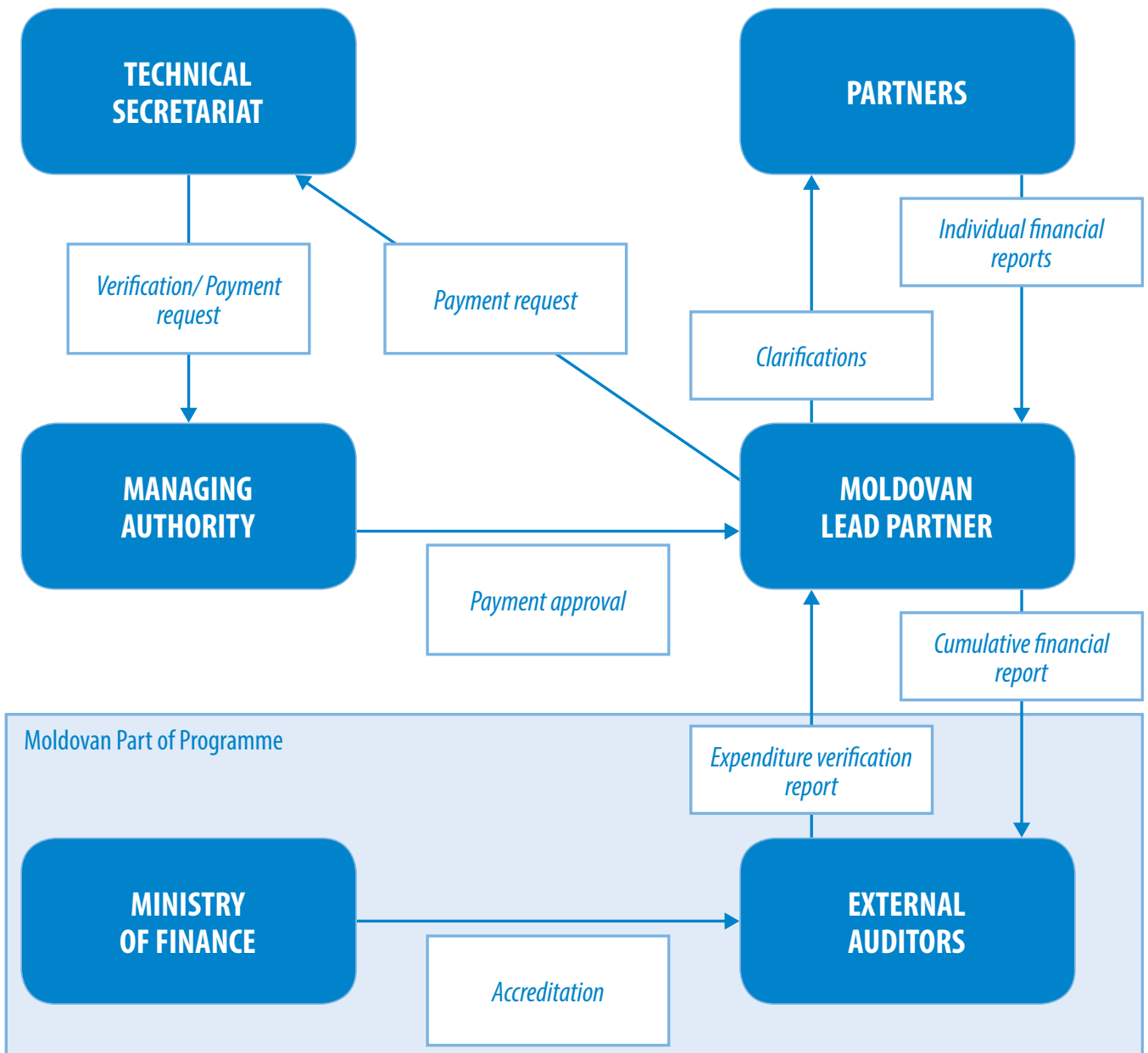
So, the expenditure verification reports for the beneficiaries and partners from the Republic of Moldova are completed by an external independent auditor, which is selected directly by the beneficiaries/partners from the list of auditors (State Register of Auditors) established at the national level by the Ministry of Finance which according to the “Law on Audit Activity”, is the State bodies empowered to regulate the audit activity is the Republic of Moldova. The external audit system is certified The Moldovan Association of Bookkeepers and Auditors is a member of the IFAC. The audit firm, individual auditor responds to the audited entity, the audit applicant under civil, criminal and administrative law.

A full list of audit companies and independent auditors in the Republic of Moldova can be found under the following link: <http://www.minfin.md>.

PAY ATTENTION THAT

Beside the expenditure verification undertaken by the external independent auditors, the state and the public institutions are subject of internal auditing, financial management and control. According to the national legislation the activities related to operations involving grants and resources offered to the central and local authorities by internal and external donors, are subject of control via the Financial Inspection in terms of compliance with the regulatory framework governing national public budget resources, procurement procedures, price discipline and respect of state regulated tariffs.

VERIFICATION OF EXPENDITURES AT PROJECT LEVEL



3.2. MONITORING, EVALUATION AND REPORTING ACCORDING TO NATIONAL REQUIREMENTS

According to the Moldova-Ukraine EaPTC Programme (Grant Contract, Annex I. Special Conditions), Moldovan Beneficiaries and Partners have to submit to the Contracting Authority interim financial and interim narrative reports (Annex VI) covering a 6 (six) months period, no later than 30 days after the above period has elapsed As well as a final financial and final narrative reports (Annex VI) shall be drafted no later than 2 months after the implementation period of the action. All supporting documents shall be submitted to the Contracting Authority as photocopy certified "According to the original", signed by the Coordinator, in the national language and in English translation.

Besides the Programme requirements, there is a national monitoring and evaluation system to be respected while implementing the external assistance projects:

Legal framework	Governmental Decision no. 12 dd. 19 January 2010 "On Approval of the Regulation Relating to the Institutional Framework and the Mechanism for Co-ordinating Foreign Assistance provided to the Republic of Moldova by International Organisations and Donor Countries". Official Gazette nr.11-12/54 dd. 26.01.2010
Contact body, contact details:	State Chancellery of the Republic of Moldova, Division for Policy, Strategic Planning and Foreign Aid (National Coordination Unit) www.ncu.moldova.md

According to Moldovan regulations, the project/programme monitoring reports differ depending of the project implementation phases: As default there are:

- Project inception monitoring report is worked out at the end of the project inception phase (before the approval of the inception report). It determines the project relevance, the quality of the terms of reference, presence of a work plan and the extent to which the expected results and objectives will be achieved, etc. (Annex 3)
- Progress monitoring report is developed within 45 days following the reporting period (half a year). It reflects the actual status of project implementation and follows whether the project is implemented in line with the work plan, if there are delays or if the results achieved during the reporting period meet the expectations, etc. (Annex 4)
- Final monitoring report is developed within the first three months after the completion of the project or from the receipt/finishing up of the project final report. It shall include a summary of conducted activities, an appraisal of the accomplished results and objectives, the evaluation of its impact and sustainability, which are essential for ensuring the continuity of the project. (Annex 5)

The State Chancellery of the Republic of Moldova, as the National Coordinator of external assistance, shall ensure, with the support of the National Coordination Unit, the coordination and the adequate operation of the national foreign assistance monitoring system.

The implementation of the foreign assistance projects and programmes are monitored by means of:

- project/programme monitoring reports with a view to measuring their relevance, efficiency, effectiveness, impact and sustainability, in line with the standard forms presented in Annex 3; Annex 4; Annex 5;
- interviews with the Beneficiary and the Contractor (where appropriate).

The Sector Coordinator (Ministry responsible for the field) works out the annual progress report relating to the implementation of the sector foreign assistance projects and programmes and submits it to the National Coordinator. The National Coordination Unit works out a consolidated annual report on the implementation of foreign assistance projects and programmes and submits it to the Inter-ministerial Committee for Strategic Planning. The annual sector reports are considered by the Inter-ministerial Committee for Strategic Planning, where appropriate.

With the approval of the National Coordinator, the National Coordination Unit participates, on behalf of the Government of the Republic of Moldova, at the actions intended for evaluating the foreign assistance projects and programmes implemented in Moldova. Monitoring reports are worked out by the Project beneficiary/partner, discussed and approved within the Sector Board. The monitoring reports are signed by the Sector Coordinator and submitted to the National Coordinator.



Part 4

Annexes



ANNEX 1**Anexa nr. 1
la Regulamentul cu privire la
vînzarea-cumpărarea terenurilor
aferente**

Primăriei _____
(municipiului, oraşului, satului (comunei))

**CERERE
de cumpărare a terenului aferent**

1. Prin prezenta se solicită cumpărarea terenului aferent _____
(denumirea obiectului privatizat sau care se privatizează)

cu o suprafaţă de _____ (_____)
(cu litere) (cu litere)

ha, situat în oraşul (satul) _____ raionul _____ strada

_____ (adresa conferită terenului aferent,

_____ enumerarea adiacenţilor)

În vederea perfectării contractului de vînzare-cumpărare a terenului aferent obiectului privatizat (care se privatizează) comunicăm următoarele:

Cumpărarea terenului se solicită de către _____

_____ (denumirea de firmă completă a persoanei juridice sau a întreprinderii

_____ individuale; numele şi prenumele persoanei fizice, datele din paşaport)

cu sediul (domiciliul): _____ Republica Moldova,

_____ , certificat de înregistrare

nr. _____ din " _____ " _____ 199 _____ ,

reprezentată de _____
(funcţia, numele şi prenumele, datele din paşaport)

care acţionează în baza _____

_____ (documentul ce confirmă împuternicirile, numărul şi data eliberării)



2. Terenul aferent se află în folosința _____

în baza _____

(documentul care confirmă dreptul de

folosință asupra terenului (decizia de atribuire,

titlul de autentificare, extrasul din registrul cadastral al deținătorilor de terenuri sau alt document existent, numărul și data))

3. Suprafața totală a terenului aferent este de _____

(cu cifre)

(_____) ha.

(cu cifre)

4. Din suprafața terenului aferent a fost exclus:

terenul pe care sînt amplasate _____

(case de locuit, alte construcții de menire social-culturală)

transmise obiectului privatizat cu drept de gestiune economică, cu o suprafață de

_____ (_____) ha.

(cu cifre)

(cu cifre)

5. Terenul indicat și construcțiile amplasate pe el nu sînt în litigiu.

Anexe:

1. Copia autentificată a certificatului înregistrării de stat a întreprinderii solicitante (persoanele fizice prezintă pentru notificare pașaportul sau alt document de identitate).
2. Copia autentificată a documentului ce confirmă dreptul de folosință (posesiune, beneficiere) al Cumpărătorului asupra terenului aferent și suprafața acestuia (decizia de atribuire sau titlul de autentificare a dreptului deținătorului de teren sau planul de atribuire, ori extrasul din registrul cadastral, planul terenului sau alt document existent - se prezintă în 5 exemplare);
3. Copia autentificată a contractului de vânzare-cumpărare sau a certificatului de privatizare, ori a altui document ce confirmă dreptul de proprietate al solicitantului asupra obiectului privatizat sau construcției nefinalizate, ce sînt amplasate pe terenul solicitat pentru cumpărare.

" _____ " _____ 20____

(semnătura reprezentantului)

L.Ș. (pentru persoana juridică)



Anexa nr. 2
la Regulamentul cu privire la
vînzarea-cumpărarea terenurilor
aferente

BORDEROUL DE CALCUL AL PREȚULUI DE VÎNZARE-CUMPĂRARE A TERENULUI AFERENT

" _____ " _____ 20____
(localitatea)

1. _____
(denumirea de firmă completă a întreprinderii, numărul și data înregistrării de stat;

numele și prenumele persoanei fizice)

2. _____

(municipiul, orașul, satul; strada)

(enumerarea adiacenților)

3. Suprafața terenului aferent necesară întreprinderii pentru îndeplinirea proceselor tehnologice, conform planului cadastral, ori, după cum este indicat în actul de stat de folosință a terenului sau alt document existent

(documentul ce confirmă suprafața terenului)

constituie _____ (_____)
(cu cifre) (cu cifre)

4. Bonitatea medie a solului stabilită pentru republică - pentru terenurile destinate construcțiilor, iar pentru terenurile cu destinație agricolă aferente construcțiilor private atribuite în calitate de cotă valorică din patrimoniul întreprinderilor agricole (stații și garaje de mașini și tractoare, arii de păstrare și prelucrare a cerealelor, încăperi frigorifice pentru păstrarea fructelor și legumelor, puncte de altoire a viței de vie și pomilor fructiferi, sere, stații de purificare a reziduurilor animaliere, depozite, ateliere de reparații, de prelucrare a materiei prime, ferme zootehnice etc.), folosite în scopul producției agricole și agroindustriale-bonitatea medie a solului stabilită pentru orașul, satul (comuna) respectiv(ă) sau, la cererea cumpărătorului de teren, bonitatea solului, stabilită pentru terenul respectiv, constituie _____ (cu cifre) _____ (cu litere)

5. Tariful stabilit pentru o unitate grad-hectar în anexa la Legea privind prețul normativ al pământului constituie _____
_____ (_____)
(cu cifre) (cu cifre)

6. Prețul normativ al terenului (p.3 x p.4 x p.5) constituie _____ (_____) lei.
(cu cifre) (cu cifre)

7. Coeficientul la prețul normativ în funcție de amplasarea și amenajarea inginerescă a terenului aferent este de _____
_____ (_____)
(cu cifre) (cu cifre)



7. Coeficientul la prețului normativ în funcție de amplasarea și amenajarea inginerească a terenului aferent este de _____
 _____ (cu cifre) (_____ (cu cifre) _____).

8. Conform punctelor 3 sau 4 (dup caz) din anexa la Legea privind prețului normativ și modul de vânzare-cumpărare a pământului, la prețului normativ calculat, se aplică coeficientul _____ (_____).
 _____ (cu cifre) _____ (cu cifre)

9. Prețului de vânzare al terenului (p.6 x p.7 x p.8) constituie _____ (_____).
 _____ (cu cifre) _____ (cu cifre)

Primarul _____
 _____ (numele și prenumele)

(Viceprimarul) _____
 _____ (semnătura în clar)

L.Ș.

Note:

1. La vânzarea-cumpărarea terenurilor destinate construcțiilor (ocupate de obiective industriale, de transport etc.) bonitatea medie a solului stabilită pentru republică, precum și pentru terenurile cu altă destinație decât cea agricolă constituie 65 (șaizeci și cinci) grade.
2. Bonitatea medie a terenurilor cu destinație agricolă aferente construcțiilor private atribuite în calitate de cotă valorică din patrimoniul întreprinderilor agricole (stații și garaje de mașini și tractoare, arii de păstrare și prelucrare a cerealelor, încăperi frigorifice pentru păstrarea fructelor și legumelor, puncte de altoire a viței de vie și pomilor fructiferi, sere, stații de purificare a reziduurilor animaliere, depozite, ateliere de reparații, de prelucrare a materiei prime, ferme zootehnice etc.), folosite în scopul producției agricole și agroindustriale, este cea stabilită pentru orașul, satul (comuna) respectiv(ă) sau, dacă la cererea cumpărătorului de teren au fost efectuate cercetări pedologice, pentru terenul respectiv.
3. Tariful pentru o unitate grad-hectar, stabilit în anexa la Legea privind prețului normativ și modul de vânzare-cumpărare a pământului, constituie:
 - pentru terenurile destinate construcțiilor (ocupate de obiective industriale, de transport etc.), precum și pentru terenurile cu altă destinație decât cea agricolă - 9264 lei 96 bani (nouă mii două sute șaizeci și patru lei și nouăzeci și șase bani);
 - pentru terenurile cu destinație agricolă aferente construcțiilor private atribuite în calitate de cotă valorică din patrimoniul întreprinderilor agricole (stații și garaje de mașini și tractoare, arii de păstrare și prelucrare a cerealelor, încăperi frigorifice pentru păstrarea fructelor și legumelor, puncte de altoire a viței de vie și pomilor fructiferi, stații de purificare a reziduurilor animaliere, depozite, ateliere de reparații, de prelucrare a materiei prime, fermelor zootehnice etc.), folosite în scopul producției agricole și agroindustriale necesare proceselor tehnologice - 289 lei 53 bani (două sute optzeci și nouă lei și cincizeci și trei bani).

[Anexa nr.2 modificată prin HG1183/11.11.05, MO154/18.11.05 art.1278]



ANNEX 2**la Legea nr.163 din 03.09.2010 privind autorizarea executării lucrărilor de construcție**Primăriei _____
municipiului, orașului, satului**CERTIFICAT DE URBANISM PENTRU PROIECTARE**

nr. _____ din _____ 201__

Ca urmare a cererii depuse de _____

cu domiciliul/sediul _____

_____ telefon de contact _____

înregistrată cu nr. _____ din _____ 201__

În baza prevederilor Legii privind autorizarea executării lucrărilor de construcție, se

CERTIFICĂ:

Elaborarea documentației de proiect pentru: _____

situat în raionul _____ municipiul/orașul _____

sectorul _____ comuna/satul _____

strada _____ nr. _____ bloc _____ ap.

1. Regimul juridic: _____

2. Regimul economic: _____

3. Regimul tehnic: _____



4. Regimul arhitectural-urbanistic: _____

Prezentul certificat nu permite executarea lucrărilor de construcție.

Documentația de proiect, în baza căreia se va solicita eliberarea autorizației de construire, va fi însoțită de următoarele avize și studii: _____

PRIMAR / _____ / SECRETAR / _____ /

L.Ș. ARHITECT-ȘEF / _____ /

Achitată plata de _____ lei. Chitanța nr. _____ din _____ 201 ____.

Transmis solicitantului la data de _____ 201 ____ direct/prin poștă.

VALABILITATEA SE PRELUNGEȘTE CU _____ LUNI

PRIMAR / _____ / SECRETAR / _____ /

L.Ș. ARHITECT-ȘEF / _____ /

_____ 201 ____

(data)

Notă. În conformitate cu art. 26 din Legea privind autorizarea executării lucrărilor de construcție, responsabilitatea pentru emiterea certificatului de urbanism pentru proiectare revine solidar semnatarilor acestuia.



Anexa nr. 3**la Legea nr.163 din 03.09.2010 privind autorizarea executării lucrărilor de construcție**Primăriei _____
municipiului, orașului, satului**AUTORIZAȚIE DE CONSTRUIRE**

nr. _____ din _____ 201 _____

Ca urmare a cererii depuse de _____

cu domiciliul/sediul _____

_____ telefon de contact _____

înregistrată cu nr. _____ din _____ 201 _____

În baza prevederilor Legii privind autorizarea executării lucrărilor de construcție, se

AUTORIZEAZĂ:

Executarea lucrărilor de _____

în raionul _____ municipiul/orașul _____

sectorul _____ comuna/satul _____

strada _____ nr. _____ bloc _____ ap. _____

în următoarele condiții: _____

Documentația de proiect a fost elaborată de _____

Termenul de începere a lucrărilor de construcție este de _____ luni de la data eliberării prezentei autorizații.

Durata executării lucrărilor de construcție nu va depăși _____ luni din momentul începerii lucrărilor de construcție.

PRIMAR / _____ / SECRETAR / _____ /

L.Ș. ARHITECT-ȘEF / _____ /



Înregistrată cu nr. _____ din _____ 201 _____

Inspector de stat în construcții _____ / _____ / L.Ș.

Achitată plata de _____ lei. Chitanța nr. _____ din _____ 201 _____.

Transmisă solicitantului la data de _____ 201 _____ direct/prin poștă.

TERMENUL DE ÎNCEPERE A LUCRĂRILOR SE PRELUNGEȘTE CU ____ LUNI

PRIMAR / _____ / SECRETAR / _____ /

L.Ș. ARHITECT-ȘEF / _____ /

Înregistrată cu nr. _____ din _____ 201 _____

Inspector de stat în construcții _____ / _____ / L.Ș.

_____ 201 _____

(data)

DURATA EXECUTĂRII LUCRĂRILOR SE PRELUNGEȘTE CU ____ LUNI

PRIMAR / _____ / SECRETAR / _____ /

L.Ș. ARHITECT-ȘEF / _____ /

Înregistrată cu nr. _____ din _____ 201 _____

Inspector de stat în construcții _____ / _____ / L.Ș.

_____ 201 _____

(data)

Note:

1. În conformitate cu art. 26 din Legea privind autorizarea executării lucrărilor de construcție, responsabilitatea pentru emiterea autorizației de construire revine solidar semnatarilor acesteia.
2. Titularul autorizației de construire este obligat, în termen de 10 zile lucrătoare pînă la începerea lucrărilor autorizate, să informeze emitentul și Inspekția de Stat în Construcții prin depunerea declarației. Dacă solicitantul (beneficiarul) nu a prezentat declarația în modul și în termenul stabilit și se constată începerea lucrărilor, data începerii lucrărilor se consideră ca fiind ziua următoare datei de emitere a autorizației de construire.



Anexa nr. 5**la Legea nr.163 din 03.09.2010 privind autorizarea executării lucrărilor de construcție**

Către primarul _____

Către Inspekția de Stat în Construcții _____

DECLARAȚIE

Subsemnatul _____ ,

cu domiciliul/sediul în _____ ,

titular al autorizației de construire/desființare nr _____ din _____ 201____ ,

vă comunic că la data de _____ 201____ ora _____ vor demara

lucrările autorizate de construcție/desființare a obiectului _____

situat în raionul _____ municipiul/orașul _____

sectorul _____ comuna/satul _____

strada _____ nr. _____ bloc _____ ap. _____

Antreprenor general _____

Diriginte de șantier _____

Responsabil tehnic _____

Declar pe proprie răspundere că datele menționate în prezenta declarație sînt veridice.

Semnătura _____

Data _____



Anexa nr. 2
la Regulamentul de recepție
a construcțiilor și instalațiilor
aferente

PROCES-VERBAL DE RECEPȚIE FINALĂ

Nr. _____ din _____

Obiectul _____

este executat în cadrul contractului nr. _____ din " " _____ 199__.

Lucrările au fost executate în baza autorizației nr. _____ din _____ valabilă
pînă la _____, de către _____

1. Comisia de recepție finală și-a desfășurat activitatea în intervalul _____, fiind formată din:

(numele, prenumele)

2. Au mai participat la recepție:

_____ *(calitatea)*

(numele, prenumele)

3. Comisia de recepție finală, în urma examinării și analizei lucrărilor efectuate și a documentelor cuprinse în Cartea tehnică a construcției, a constatat următoarele:

- 1) lucrările pe specialități au fost executate și recepționate conform listei-anexă nr. 1;
- 2) lucrările au fost complet terminate la data de _____ 199__;
- 3) observațiile comisiei de recepție finală sînt prezentate în lista-anexă nr. 2;
- 4) Cartea tehnică a construcției și fișa sintetică a obiectului au fost (nu au fost) completate;
- 5) instrucțiunile de exploatare și urmărire a comportării în timp a obiectului (nu) sînt în posesia utilizatorului;
- 6) construcția s-a comportat (nu s-a comportat) corespunzător în perioada de la terminarea ei la data de _____ pînă în prezent, respectiv pe o durată de _____ luni, constatările comisiei fiind enumerate în anexa nr. 3;
- 7) valoarea obiectului este de _____ lei, conform listei-anexă nr. 1.

4. În baza constatărilor făcute, comisia de recepție finală propune:



5. Comisia de recepție finală motivează propunerea făcută prin:

6. Comisia de recepție finală recomandă următoarele:

7. Prezentul proces-verbal, conținând _____ file și _____ anexe numerotate, cu un total de _____ file, a fost încheiat astăzi _____ la în _____ exemplare.

Comisia de recepție finală: Specialiști:

Președinte: _____

Membri: _____

(numele, prenumele, semnătura)

8. Concluzia Inspecției de Stat în Construcții:

Lucrarea _____

" _____ " _____ 199

L.Ș. _____
(semnătura) (funcția, numele, prenumele)

INVESTITOR



ANNEX 3**Sample document for completing the foreign assistance project/programme inception monitoring report**

Project title			
Donor	Project manager		
Recipient	Contact person		
Beneficiary	Contact person		
Contractor	Contact person		
Budget	Date of project commencement		Date of project completion
Objectives			
	Comments on the project design and relevance		
	The national documents on which basis the project has been developed		
	Are clarity and relevance of the project objectives		
	The probability of accomplishing of the project objectives in terms of the project duration and the earmarked resources (financial, human, etc.)		
	The eventuality of overlaps/duplications of this project with other projects under implementation or planning. If so, specify the project and the donor.		
	Given that some time has passed since the project had been worked out up to the initiation of its implementation, do you think that the project is still relevant or there have been major institutional, legal or policy changes, which would make the project implementation in its current form difficult?		
Outcomes			
	Are the outcomes mentioned in the project document (terms of reference) still relevant?		
	Should the results be achieved, will this lead to the achievement of the objectives sought?		
	Can the results be achieved within the intended time span and the planned resources?		

Activities	Intended date of commencement	Intended date of completion	Intended output	Comments
				Are the actions clear and in line with the project objectives?
				Are the actions following one another in a logical manner?
				Does every group of actions contribute to the achievement of the intended outcomes?
				Are the planned actions and outputs sufficient for the achievement of the objectives?
				Are the resources (financial, human) sufficient for implementing the planned actions?
				Is the project duration relevant? Can the objectives be achieved within the allotted time limit?
				Has the project a logical framework?
				Does the logical framework include performance indicators correlated with the project objectives?
Recommendations	Is it necessary to take settlement/recovery actions for speeding up the project implementation? If so, formulate the issue and propose the appropriate actions, who should take them and until when?			

ANNEX 4**Sample document for the foreign assistance project/programme progress monitoring report**

Project title							
Donor	Project manager						
Recipient	Contact person						
Beneficiary	Contact person						
Contractor	Contact person						
Budget	Date of project commencement			Date of project completion			
Main activities	Intended date of commencement	De facto commenced	Intended date of completion	De facto completed	Planned output	De facto output	Comments
Answer the questions in the "Comments" column for each activity							If the activity is completed with a delay, which is the reason?
							Were problem settlement actions taken? Did the actions achieve the expected output?
							Are the outputs of expected quantity/quality? Can/will they be used?
							Do the outputs contribute to the achievement of the expected outcomes? If not, why?
Recommendations	Is it necessary to take settlement/recovery actions for speeding up the project implementation? If so, formulate the issue and propose appropriate actions, who should take them and until when?						

ANNEX 5

Sample document for the foreign assistance project/programme final monitoring report

Project title										
Donor						Project manager				
Recipient						Contact person				
Beneficiary						Contact person				
Contractor						Contact person				
Budget	Date of project commencement					Date of project completion				
Main activities	Intended date of commencement	De facto commenced	Intended date of completion	De facto completed	Planned output	De facto output	Comments			
							Comment on the quality and importance of the output and the areas where it will be used			
Outcomes	Performance indicators									
	Comment on the extent to which the achieved outcomes are satisfactory to the Beneficiary. Use the indicators from the logframe matrix and also make a reference to the output quality, if appropriate.									
Specific objectives	Performance indicators									
	Comment on the extent to which the objectives have been achieved. Use verification indicators from the project logframe matrix									



Impact (potential)	<p>Comment on the extent to which the project/programme contributed to the achievement of the general objective set out in the project terms of reference or in other documents and the impact it has had or will have on the sector/area, which the project intended to support</p>
Sustainability (potential)	<p>Comment to what extent the project outcomes are sustainable</p> <ul style="list-style-type: none"> • At the policy level: are there any changes envisaged which could have a positive impact on or undermine the obtained results? • At the institutional level: is it necessary that the achieved results be accompanied by the development or strengthening of capacities of a particular institution? Is such a measure planned? • Financially: in many cases the project results will require additional financing (e.g. operational costs, salaries). Are these available?
Recommendations	<ul style="list-style-type: none"> • Comment on what subsequent actions are required to ensure sustainability of the achieved results, by whom and when. • Comment on how the results/practices can be disseminated amongst other institutions/projects. • Comment on the general evaluation of contractor's performance. • Comment on anything which you find important to take into account when developing/preparing a similar project for the future. • Comment if supplementary assistance is required in order to strengthen and expand the outcomes attained by the project.

ANNEX 6. QUESTIONS AND ANSWERS

Question	What are the national procedures in order to be able to open the accounts in EUR and in national currency?
Answer	<p>The non-government and non-commercial organisations residents of the Republic of Moldova can open one or several accounts in Moldavian Lei and/or foreign currencies in any bank of the Republic of Moldova with its consent, observing the legislative framework.</p> <p>State/public bodies and institutions (including subordinated budget institutions which are financed from State budget), regional and local authorities can open an account in national or foreign currency only in the treasury system operated via the state owned bank “Banca de economii”. As constituent parts of one budgetary system, they are based on a unified state policy as it concerns the budgetary and accountancy legislation. An official letter should be addressed to the Ministry of Finance which will detail explanation of the situation and necessity to open the accounts in EURO and National Currency.</p>
Question	Which are the procedures regarding the selection and recruitment of the project team?
Answer	<p>Members of the project team should be directly employed by the project partners’ organisation. The selection procedure is the beneficiary’s/partner’s decision and responsibility. The procedures regarding the employment of project team should be started after the grant contract is signed.</p> <p>Legal documents for setting up the project team can be: Labour contracts / Addenda to labour contracts, Decision of the legal representative for the appointment of the project team, Job descriptions, Curriculum Vitae.</p> <p>If part-time, the working time should be identical as specified in the Budget for the Action.</p>
Question	When the procedures regarding the selection and recruitment of the project team could be started?
Answer	The procedures regarding selection and recruitment of project team could be started after the grant contract signing.
Question	How long it takes to register a project?
Answer	<p>The project shall be registered at the State Chancellery which is the national aid coordination authority. Beside other aid coordination functions, the institution is responsible for keeping the track of foreign external assistance received by Moldova.</p> <p>The project is registered as soon as all necessary documents are provided to the State Chancellery. It is important to know that the Annex 1 to the GD 246 is updated once per quarter.</p>

Question	What are the taxes that should be paid by an external expert hired within the project?
Answer	<p>The frame work agreement between the RM and Commission, states that the “contracts financed by the Community, foreign contractors and their employees, other that citizens or permanent residents of the Beneficiary Country, shall be exempted from the VAT, business and income tax, obligatory social insurance contributions, mandatory payments levied in the territory of the Beneficiary Country”.</p> <p>As well this issue is stated in the Fiscal Code art 54.</p>
Question	What language should be used for the visual identity elements when drafting bilingual or trilingual information/ promotional materials?
Answer	<p>As a rule, all visual identity elements must be in the same language as the material is written. In this specific case, when the material is bilingual or trilingual, all visual identity elements must be in English language.</p>
Question	What type of contractual procedures shall be used for procurement contracts necessary in the project implementation?
Answer	<p>The contractual procedures for procurement contracts necessary for the project implementation shall be those included in the Practical Guide for contract procedures for EC external actions (PRAG) in force at the moment of the launching of call for proposal – according to Commission Regulation no. 951/2007, art. 23.1).</p>
Question	Which currency should be used for payments and transfers outside/inside the country?
Answer	<p>The cross-border payments and transfers within foreign exchange operations between the residents and non-residents may be received /made in national currency or foreign currency. Payments and transfers between residents and non-residents on the territory of the Republic of Moldova shall be made in national currency, as well as in foreign currency, except for the cases provided for in art. 20 para.(2) of the Law on Foreign Exchange Regulation No. 62-XVI dd. March 21, 2008</p> <p>Payments and transfers between resident institutions (public or private) shall be made on the territory of the Republic of Moldova in national currency. The cases when payments and transfers between residents on the territory of the Republic of Moldova may be also made in foreign currency are provided for in art. 21 para.(2) of the Law on Foreign Exchange Regulation No.62-XVI dd. March 21, 2008 (humanitarian aid ad technical assistance cases).</p>

EaPTC

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**Eastern Partnership Territorial Cooperation
Support Programme (EaPTC)**

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The Programme is implemented by Altair Asesores in consortium with CECOFORMA, EIR Global, ICBSS, PM Group and TRT

