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Technical assistance

Over the past few years the National Bank of Moldova (NBM) has benefited from technical assistance from the European Union (EU), international financial institutions, foreign central banks, and other development partners. The fields covered by the technical assistance are consistent with the priorities and the strategic development objectives of the NBM.

Assistance provided by the European Union

The European Commission's support is provided to the NBM as a follow-up to the commitments undertaken by the Republic of Moldova in the context of European integration process. The assistance from the EU is granted mainly through the EU High Level Advisers' Mission to the Republic of Moldova and through Twinning ^[1] and TAIEX ^[2] instruments.

The European Union High-Level Advisers Mission to the Republic of Moldova

The EU High-Level Advisers Mission to the Republic of Moldova is supporting the Government and other public authorities from the Republic of Moldova, including the NBM, to implement its reform agenda and in particular focusing on the implementation of the Association Agreement between the Republic of Moldova and the European Union. The Mission, with a three-year implementation period (from January 2016 until December 2018), consists of 25 advisers in different sectors.

Within this mission, starting with 15 February 2016, the NBM is assisted by a High-Level Adviser for the banking sector – Dr Aldona Jočienė. She provides policy advice to NBM on banking supervision reform with the main goal of creating a modern and efficient supervisory framework in line with the EU standards (Basel III). This assistance contributes to the development of the banking supervisory capabilities to increase the safety and soundness of banks and to implement effectively risk-based, forward-looking, judgement supervision, using the Supervisory Review and Evaluation Process (SREP). The High-Level Adviser for the banking sector is also providing support in order to strengthen the NBM's communication capabilities for better informing the society about the banking sector, as well as in order to enhance the cooperation of the NBM with other national public institutions with the aim of efficient fight against economic crimes.

By the Order of the Government No. 55-d of 25 April 2016 ^[3], a steering committee for reviewing the general performance of the EU High-Level Advisers Mission was established and one NBM deputy governor is a member of this committee.

To learn more information about the EU High-Level Advisers Mission to the Republic of Moldova please visit the website: <http://www.eu-advisers.md> ^[4].

Twinning

Twinning is an EU instrument for administrative cooperation between the authorities of the EU Member States and the authorities of the beneficiary countries. Twinning projects aim to develop the institutional capacities of the beneficiary authorities and are implemented over a year or more, during which EU public sector experts are seconded in order to assist the beneficiary authorities in achieving specific objectives. Unlike the classic, one-way technical assistance, when experts share their knowledge and experience with the persons concerned, Twinning projects are a close partnership where the active involvement of the beneficiary authorities is very important for obtaining the expected goal. More information regarding the Twinning instrument for assistance is available on the European Commission's website ^[5].

During 1 July 2015 – 30 May 2017 the NBM has benefited from the assistance offered by the EU through the

Twinning instrument. This assistance was directed towards strengthening the NBM's capacity in the field of banking regulation and supervision in the context of EU requirements. The main results obtained are summarized as follows:

- a new draft banking law - Law on banking activity – has been developed. This will allow the NBM to issue secondary normative acts for each area, which will regulate the prudential requirements applicable to banks;
- 20 secondary draft regulations that ensure the transposition of the European normative framework related to banks have been drawn up;
- the NBM internal rules, which will allow the efficient exercise of supervisory function, have been drafted and the organizational structure of the NBM has been changed;
- the level of knowledge of the supervisors and banks representatives on Basel III framework was increased through internal trainings, study cases, practical exercises performed in the Republic of Moldova, Romania, the Netherlands etc.

More information regarding the evolution of the NBM Twinning project is available [here](#) ^[6].

TAIEX

TAIEX is the European Commission's Technical Assistance and Information Exchange instrument. It aims to support the beneficiary authorities to approximate the national legislation with the EU legislation, to implement the harmonized legislation, as well as to facilitate sharing best EU practices. TAIEX assistance is provided to beneficiary public authorities for a short period of time (up to 5 days) in the form of workshops, EU expert missions to beneficiary institutions, or study visits of the beneficiary authority's representatives to EU authorities. Further information regarding the TAIEX instrument is published on the [European Commission's website](#) ^[7].

Through the TAIEX instrument, the NBM benefitted from assistance in the following fields:

1. Crisis Communication Management (November 2014);
2. Creation of a Single Central Securities Depository (January 2015);
3. Promoting Cashless Payments (March 2015);
4. Cash Management and Security of Vault in the Central Banks (July 2015);
5. Supervision, Recovery and Resolution of Credit Institutions and Investment Firms (September 2015);
6. Investments, Strategic Asset Allocation, monetary policy and risk management (October 2017).

Other TAIEX assistance requests of the NBM could be implemented in the forthcoming period.

Assistance provided by international financial institutions

International Monetary Fund and the institutions of the World Bank Group are some of the most important international organizations that provide support to NBM in the key areas of activity. Enhancing the efficiency of monetary policy and financial management, consolidating the institutional and structural policies, developing and proper functioning of the payment system, strengthening capacities in banking supervision, and developing the banking resolution legal framework are listed among some objectives of the technical assistance provided by these institutions.

Over the last years, the International Monetary Fund has provided assistance to NBM in the context of creation of the Single Central Securities Depository, in the field of combating money counterfeiting and in the field of statistical reporting. In 2014, within the Financial Sector Assessment Program (FSAP), the representatives of the International Monetary Fund and of the World Bank have conducted a comprehensive and in-depth assessment of the Republic of Moldova's financial sector.

The World Bank assists the NBM in the Reserve Advisory and Management Program (RAMP). This technical assistance is aimed at improving the management of the state foreign exchange reserves through the exchange of experience, information and practices between the member states of that program. Also, within this program, NBM representatives participate periodically in seminars where are presented the innovations, techniques and methods of managing the foreign exchange reserves, as well as estimating and mitigating the

investment risks associated with this process. In 2014, at the request of the NBM, a team of World Bank experts carried out a crisis simulation exercise to assess the effectiveness of communication within the NBM.

The European Bank for Reconstruction and Development provided the NBM with advice on tax issues relevant to the monetary policy formulation process.

Assistance provided by other partners

United States of America Treasury's Office of Technical Assistance

Since 2010, the United States of America Treasury's Office of Technical Assistance has provided technical assistance to the NBM in the areas of corporate governance, monetary policy, accounting, human resources and bank supervision. The assistance has focused on improving compliance with international standards, with Basel Core Principles for Effective Banking Supervision, bank recovery and resolution, bank liquidation, and on the transition to International Financial Reporting Standards. Formal classroom trainings and on-the-job trainings have been instrumental in implementing assistance and the goals associated with it.

European Fund for Southeast Europe

Over many years, the NBM is benefiting from the assistance of the European Fund for Southeast Europe (EFSE) in the field of financial education. With the support of this organization, the Global Money Week and the World Savings Day projects are being carried out. Within these projects, seminars for trainers were organized and two children's books from the series "Financial Education" ^[8] were published. Also, in order to ensure a more efficient interaction with the target groups from the gymnasium cycle (general secondary education), interactive games that present basic concepts in the banking field for two age categories have been developed. This approach increases the attractiveness of events and raises to participants an immediate positive feedback, which is also expressed on the long-term, with a direct and indirect effect on financial education. The practice of interactive games aims at raising to the public the awareness from an early age of the importance of financial decisions and represents an important component of measures with impact on financial inclusion.

During December 2014 – June 2015, with the financial support of the EFSE Development Facility, the NBM conducted the first national financial inclusion campaign in the Republic of Moldova "Cashless Payments. Simple. Secure. Convenient" ^[9]. The main objective of this action was to encourage and promote the use of cashless payment instruments by informing the general public about the benefits of using payment cards, remote banking service systems, standing orders and, last but not least, direct debits.

Central banks and other development partners

The technical assistance provided to the NBM by the central banks of other countries and other development partners in the area of banking supervision, monetary and foreign exchange policy, financial stability, payment system etc. is of utmost importance. The table below contains information on some foreign authorities, mainly central banks, that provided technical assistance to the NBM in recent years on the basis of direct bilateral cooperation (this information does not include assistance provided through the Twinning and TAIEX instruments).

The authority	Areas where technical assistance was provided
Central bank of Georgia	cash management
Central bank of Germany	monitoring the transparency of shareholders; statistics; organizing the information technology function in a central bank; project management and control
Central bank of the Netherlands	banking supervision; performance management for the NBM
Polish Financial Supervision Authority	authorization, supervision and resolution of banks

Central bank of Poland	implementation of the economic research framework; development of the national payment system; fight against money counterfeiting
Central bank of Romania	cash management
Central bank of Ukraine	cash management

See also

Tags

[Donors](#) ^[10]

[experts](#) ^[11]

[seminars](#) ^[12]

[assistance](#) ^[13]

[EU](#) ^[14]

[taiax](#) ^[15]

[Twinning](#) ^[16]

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Related links:

[1] http://ec.europa.eu/enlargement/tenders/twinning/index_en.htm

[2] http://ec.europa.eu/enlargement/taiax/index_en.htm

[3] <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=364554>

[4] <http://www.eu-advisers.md>

[5] https://ec.europa.eu/neighbourhood-enlargement/tenders/twinning_en

[6] [http://bnm.md/en/search?categories\[0\]=361&sub_categories\[361\]\[0\]=5075](http://bnm.md/en/search?categories[0]=361&sub_categories[361][0]=5075)

[7] https://ec.europa.eu/neighbourhood-enlargement/tenders/taiax_en

[8] <http://bnm.md/ro/content/banca-nationala-le-propune-copiilor-o-calatorie-lumea-banilor-0>

[9] [http://bnm.md/ro/search?categories\[0\]=363&sub_categories\[363\]\[0\]=4055&categories%5B0%5D=363&sub_categories%5B363%5D%5B0%5D=4055](http://bnm.md/ro/search?categories[0]=363&sub_categories[363][0]=4055&categories%5B0%5D=363&sub_categories%5B363%5D%5B0%5D=4055)

[10] [http://bnm.md/en/search?hashtags\[0\]=Donors](http://bnm.md/en/search?hashtags[0]=Donors)

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