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Twinning Project, financed by the European Union, successfully finalized

The Twinning project on "strengthening the National Bank of Moldova's capacity in the field of banking regulation and supervision in the context of EU requirements", launched on 30 June 2015 and implemented during two years by the National Bank of Moldova, together with the National Bank of Romania (NBR) and De Nederlandsche Bank, has reached its conclusion. The official closing event, held on 30 May 2017, brings together high level dignitaries, ambassadors of the European Union, officials of the National Bank of Moldova and National Bank of Romania, the banking community and experts.

The video recording of the project's totalisation event:

The key goal of the project was to assist the National Bank of Moldova (NBM) in strengthening its prudential supervision framework through approximation with the practices and standards applicable to the central banks of the EU countries. Also, the project aimed to improve the NBM prudential regulations, oriented to affirmation of a sound and competitive banking sector.

Within the Twinning project, great attention was placed to the development of supervision tools and to the overall strengthening of the NBM supervisory function. All the activities allowed both to improve the knowledge of the NBM and banks employees, as well to analyze the perspective of implementation of the new legislative framework and its potential impact on stability of banking sector of the Republic of Moldova.

The main results obtained are summarized as follows:

— A new draft banking law - Law on banking activity – has been developed. This will allow the National

Bank of Moldova to issue secondary normative acts for each area, which will regulate the prudential requirements applicable to banks;
- 20 secondary regulation drafts that ensure the transposition of 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 National Bank of Moldova 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 and the Netherlands etc.

Background information:

During those 24 months of technical assistance, 56 activities involving 48 experts of the National Bank of Romania and De Nederlandsche Bank, including 665 working days and 106 missions in the Republic of Moldova, Romania and Netherlands have been carried out. 50 experts of the National Bank of Moldova, 11 banks, over 100 representatives of baking sector have attended these activities.

The main results of the project have been achieved through training of employees, exchange of experience with foreign experts, conducting impact studies and other assessments.

The results and benefits from the project will become visible once the new legal framework is implemented and the new risk-based supervision practices are applied. Although the direct beneficiaries of the project are the NBM and banks of the Republic of Moldova, the final beneficiaries are all citizens of Republic of Moldova, who will enjoy a viable, stable and sound banking system. Also, the establishment of a new legal framework equivalent to that applicable in the European countries, will improve the image of the Moldovan banking system and will help to attract new investors.

Thereafter, a good activity of the banks, in particular their intense lending activity, will stimulate the economic growth in the Republic of Moldova.

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