

## Project and program management at the National Bank of Moldova

<b>Project and program management (PPM)</b>	represents the application of knowledge, skills, tools, and techniques in the implementation of project/program activities to achieve its objectives. Project and program management (PPM) includes planning, organizing, monitoring, controlling, reporting, and undertaking necessary corrective actions for all processes of the project/program required to achieve its objectives continuously, under conditions of constraints related to scope, time, cost, and quality.
<b>The general framework regarding the project and program management system (PPMS) at the National Bank of Moldova (Framework)</b>	it is developed to support the transformation of business processes to align with trends and best practices in the field of central banking, through projects and programs.
<b>Terms and Definitions</b>	
<i>Project</i>	unique, goal-oriented activities with a high degree of novelty and a complex workload. Projects are time-limited and constrained in terms of material and human resources, typically requiring interdisciplinary collaboration within the National Bank of Moldova (NBM), as well as special management methodologies, involving specific risks.
<i>Program</i>	an effort to achieve a large-scale strategic objective with a long-term scope through a group of interdependent projects, managed in a coordinated manner to achieve results that would not be possible through the independent execution of each project. The projects that make up a program are assigned to achieve the same strategic objective of the NBM.
<i>The portfolio of programs and projects of the National Bank of Moldova (portfolio)</i>	the totality of planned, initiated, ongoing, or completed projects and programs of the National Bank of Moldova within a specified timeframe, aligned with the strategic objectives of the National Bank.
<i>The project and program management system (PPMS)</i>	the entire portfolio of projects and programs of the NBM accompanied by an integrated framework for defining and implementing norms, techniques, and tools to manage project/program activities, with a clear definition of the roles and responsibilities of the involved parties.

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<b>The core objectives of the project and program management system (PPMS)</b>	<ul style="list-style-type: none"><li>• developing an organizational perspective on how to manage projects and programs and promoting a culture and approach based on their management, in accordance with international methodologies and best practices in the field;</li><li>• facilitating the implementation and integration of project management concepts at the level of processes, human resources, and organizational structure;</li><li>• ensuring effective monitoring and alignment of the projects and programs of the NBM with strategic objectives, with project concepts and project sheets being adequately justified and aligned with the needs and change priorities of the NBM;</li><li>• prioritizing projects/programs based on their strategic value and impact on resources and costs;</li><li>• implementing a unified framework for planning, controlling, monitoring, measuring, and reporting key performance indicators and benefits at the levels of projects, programs, and portfolios in accordance with the needs of the NBM, with benefits continuously measured and monitored.</li></ul>
<b>The governance principles of the project and program management system (PPMS)</b>	
<i>The principle of strategic planning</i>	provides that project proposals are subjected to a prioritization process based on their impact on strategic objectives.
<i>The principle of performance</i>	assumes that the allocation of resources for the projects of the NBM and the corresponding reporting is based on performance.
<i>The principle of cost-quality ratio</i>	project beneficiaries must ensure the efficient use of budgeted resources, ensuring a high level of cost-quality ratio.
<i>The principle of sustainability</i>	assumes that in the process of planning and approving projects, consideration is also given to operational and maintenance costs after their completion.
<i>The principle of realism</i>	assumes that project planning takes into account the availability of budgeted resources and the project's implementation capacity.

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### Management principles at the level of each project

*Continuous justification of the need for the implementation of the project/program*

- there is a justified reason for initiating the project/program, which is aligned with the strategic objectives of the NBM, derives from the legal framework, pertains to external commitments, or relates to an operational objective.
- the reason for initiating the project/program must remain justified throughout its execution, and the justification must be documented and approved in the form of a project/program concept and/or a project sheet, depending on the category in which the project is classified.

*Learning from experience at different stages of project/program implementation*

- at the start of the project, through the analysis of initiated/ongoing/completed projects that are similar in domain and scope, in order to capture lessons learned.
- during the execution of the project and upon its completion, through documentation within the Lessons Learned Register.

*Well-defined roles and responsibilities*

refers to the fact that for the successful execution of the project/program, it must involve the formation of a well-structured project team that effectively represents the interests of the beneficiary, supplier/service provider, user, as well as other relevant stakeholders associated with the project.

*Project management by phases*

allows the identification of control points at major intervals during its execution. At the end of each phase, the project's status needs to be evaluated, and the project concept/project sheet, action plan related to the project, and project implementation plan must be reviewed to ensure the project's viability. Accordingly, planning needs to be done at a level of detail that is manageable and predictable, according to a realistic timeframe.

*Project management by exception*

assumes that for the efficient execution of the project, it must contain clearly defined tolerances at different decision-making levels, in order to establish clear limits of delegated authority.

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<i>Results-oriented</i>	assumes that the projects of the NBM focus on achieving the expected results, particularly on meeting the established key performance indicators. The key performance indicators are defined to have quantitative and qualitative characteristics, to be relevant, measurable—where applicable—and to reflect the achievement of the objectives set at the project level.
<b>Distinctive characteristics of the projects of the National Bank of Moldova</b>	projects are the means through which change is introduced into existing operational processes or new operational processes are implemented, and they have a certain degree of autonomy from the current activities of the organization.
<i>Change</i>	once the desired change has been implemented and the expected results have been achieved, the activity resumes in its new form or becomes a new operational process, and the need for the project ceases. Projects must have a well-defined start and end.
<i>Temporality</i>	projects involve a number of activities, events, tasks, as well as a team of individuals with different skills who collaborate (temporarily) to introduce change that will impact the external environment of the team.
<i>Interdependence</i>	projects are typically transversal across the subdivisions of the NBM, are correlated with their current activities, and sometimes with other projects/programs.
<i>Uniqueness</i>	each project is unique, with unique deliverables. The National Bank of Moldova may carry out several similar projects, but each of them will differ in some way, through certain elements: objectives, team, scope, etc.
<i>Increased risk</i>	in accordance with the characteristics listed above, the project, unlike current business processes, presents a higher risk of generating problems and risks, which are documented, evaluated, and for which preventive/minimizing measures are ensured.

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<b>Key constraints that require management at the level of each project</b>	
<i>Cost</i>	refers to the processes of budget determination, planning, estimating, and cost control in a manner that ensures an optimal ratio of achieving the best results in terms of quantity and quality, with minimal implementation costs. The projects of the National Bank of Moldova have a '0' tolerance for cost, meaning they have a fixed value, unless otherwise stipulated by public procurement legislation.
<i>Time</i>	refers to the processes of planning, defining, sequencing, and estimating the duration of activities, analyzing how they are structured and planned, as well as the process of monitoring the progress of project completion.
<i>Scope</i>	assumes that planning, collecting requirements, defining, and validating the content represent what the project aims to achieve, encompassing all the work done to reach the project's results and the processes used to produce them. The project scope is defined by the processes included or to be included within the management system of the business processes of the NBM.
<i>Quality</i>	refers to the processes and project activities that determine the policies, objectives, and responsibilities related to quality, namely: quality management planning, quality assurance, and quality control. Quality is defined as delivering project results in accordance with the needs and expectations of the project Beneficiary. This characteristic also implies compliance with quality standards dictated by laws, regulations, and professional standards as applicable.
<b>Classification of the projects of the National Bank of Moldova</b>	In accordance with the priority of applying project management methodology, projects are classified into three major categories: Category I, Category II, and Category III, based on certain predefined criteria:

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	<ul style="list-style-type: none"><li>• the projects of Category I and II are those that, as a rule, are sourced from the Strategic Plan/Legal Framework/External Commitments and have either an indirect/minor or a direct/major impact on external parties.</li><li>• the projects of Category III are those that, as a rule, are sourced from the current activities of the subdivisions of the National Bank of Moldova and do not have an impact on external parties of the NBM, but affect the operational activity of the NBM.</li></ul>
<i>Legal framework</i>	projects that are undertaken due to the emergence/modification of legal provisions, regulations, etc.
<i>External commitments</i>	projects that are carried out as a result of commitments made at the level of the NBM or at the national level, concluded with external development partners (for example: the International Monetary Fund, the World Bank, the European Union, etc.).
<i>Strategic plan</i>	projects that are carried out to implement the strategic objectives of the NBM.
<i>Current activity</i>	projects that are carried out in order to achieve an objective related to the current activities of the subdivisions of the NBM.
	<p><i>The projects of Category I and II are subject to all provisions of the general framework regarding the project and program management system at the National Bank of Moldova, except for Category II projects that do not require contracting an external supplier for implementation. The latter are subject to the provisions of the general framework regarding strategic planning at the NBM and other applicable internal regulatory acts.</i></p> <p>Category III projects, considering their specificity, are managed with exceptions to the roles and responsibilities, as well as the phases established in the general framework regarding the project and program management system at the NBM. At the same time, similar to Category I and II projects, the decision to allocate the financial resources</p>

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### Roles and responsibilities within the project and program management process at the National Bank of Moldova

necessary for the execution of Category III projects is based on the Project Sheet, which is prepared for all projects of the NBM.

At the same time, Category III projects that are sourced from the legal framework, external commitments, and the strategic plan are subject to the provisions of the General Framework for Strategic Planning at the National Bank of Moldova and other applicable internal regulatory acts.

**The project and program management system (PPMS) at the National Bank of Moldova is organized in a centralized manner**, involves the segregated management of projects and programs, and defines the existence and interaction at the level of the NBM of several roles with corresponding responsibilities.

**The Supervisory Board** holds the authority to approve the financial resources necessary for the execution of projects, as part of the Expense Budget and Investment Allocations<sup>1</sup>.

**The Executive Committee (EC)** is responsible for:

- approving the regulatory framework related to the project and program management system (PPMS);
- approving project concepts and ensuring the resources necessary for project execution;
- deciding on the need to develop feasibility studies for Category I and Category II projects and, accordingly, approving those feasibility studies;
- monitoring the progress of projects and making the necessary decisions for their efficient execution.

**The Management of the National Bank of Moldova** is responsible for:

- coordinating the Service Note regarding the opportunity of the project/program and the associated Project sheet;

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<sup>1</sup> Article 21, paragraph (1) of Law 548/1995 regarding the National Bank of Moldova, with subsequent amendments

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- ensuring the availability of necessary resources for project execution, excluding financial resources;
- monitoring the progress of projects and making the necessary decisions for their efficient execution;
- participating in defining the scope and expected results of the project;
- participating in the identification and management of project risks and dependencies.

**The Coordinator of the project and program management system at the National Bank of Moldova (PPMS Coordinator)** – the Director of the Strategy, Organization and Human Resources Department, together with the Strategic Planning and Management Directorate, through the project management function, is responsible for achieving the following objectives:

- to ensure the alignment between strategic objectives and those at the project level;
- to ensure efficient correlation of the portfolio of programs/projects of the NBM (setting priorities, forecasting, estimating benefits, etc.);
- to define, implement, develop, and promote an effective standardized framework for project and program management within the NBM;
- to provide an adequate methodological basis necessary to implement a framework for planning, control, monitoring, measurement, and reporting of key performance indicators and benefits at the project, program, and portfolio levels, in accordance with the needs of the NBM;
- to facilitate the implementation and integration of project management concepts at the level of processes, human resources, and organizational structure;
- to ensure the training and development of project management capacities at the NBM, providing training and advice in the field of project management;
- to ensure, where applicable, management for projects involving multiple subdivisions of the NBM;
- to ensure and administer the necessary tools for project management within the NBM;
- to facilitate the sharing of resources, methodologies, tools, and techniques;
- to provide support both at the initiation stage of projects and during their execution;

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- to participate in identifying and analyzing project risks and to propose control measures for managing risks associated with projects;
- to facilitate change management at the level of the NBM.

The project team within the National Bank of Moldova consists of the management group (MG) and the coordinating and decision-making group (CDG).

The activities of the MG are coordinated by the project manager (chair of the MG), and the group includes members from various areas of expertise related to the implementation of the project.

The activities of the CDG are coordinated by a member of the Executive Committee (chair of the CDG), and the group comprises heads of subdivisions participating in the project or those who will benefit from the project's results.

**The President of the Coordinating and Decision-Making Group (NBM) has the following duties:**

- approving the action plan related to the project/program;
- approving the project management plan;
- ensuring the availability of necessary resources for project execution;
- monitoring the progress of the project and making the necessary decisions for its efficient execution;
- participating in defining the scope and expected results of the project;
- participating in identifying and managing project risks and dependencies;
- providing support to the project manager throughout the project's execution;
- approving deliverables and other key documents related to the project.

**The duties of the Coordinating and Decision-Making Group (NBM) are:**

- coordinating and overseeing actions throughout the project execution;
- coordinating the action plan related to the project/program;
- coordinating the project management plan;

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- verifying the content of deliverables and coordinating/approving, as applicable, the key documents related to the project;
- providing decision-making support within the project and actively participating in activities carried out according to their area of expertise.

**The Project Manager (chair of the MG - NBM)** is responsible for achieving the project's objective through the ongoing management of the project. Their primary responsibility is to ensure that all necessary deliverables are produced within the constraints of cost, time, quality, and scope, according to the requirements set forth in the project's documentation. Additionally, the project manager is responsible for ensuring the production of results that can deliver the intended benefits.

**The Project manager's Assistant (NBM)** is designated to provide support to the project manager, to be involved in the project's organizational activities, and to carry out tasks assigned by the project manager and the deputy project manager (as applicable).

**The Program Manager** is responsible for:

- planning, governing, and overseeing the successful implementation of the program, including achieving its expected objectives.
- ensuring the alignment of project activities within the program to avoid redundancy in efforts, costs, and outcomes, while ensuring the achievement of individual project objectives as well as the overall program objectives.
- ensuring proper management of program risks, progress tracking, and control of deliverables at each stage.
- managing the interdependencies among program components to minimize any risk of stagnation or deviation from the approved plan and set constraints.

**Members of the management group** are determined based on the area and scope of the project, being experts with a high degree of expertise from various fields, who are designated responsible for:

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### The stages of project implementation at NBM are:

#### *Initiation*

- active involvement in the proper execution of project tasks according to the action plan and project management plan, based on their areas of competence and fields of activity;
- providing expertise within the project in the designated domain (including analyzing current processes and adapting future processes to the principles/configurations of upcoming information systems, if relevant);
- timely evaluation of project deliverables regarding compliance with the requirements outlined in the project documentation, acceptance criteria, and established quality standards.

involves ensuring the necessary prerequisites for starting the project and having a clear response regarding the sustainability and viability of the project, its purpose, and its scope.

*The initiation phase involves the following steps:*

- coordinating the service note regarding the project's opportunity;
- appointing the internal team for developing the concept (if applicable);
- approving the project concept;
- appointing the internal team for project implementation;
- allocating the necessary financial resources for the project's execution (if applicable);
- approving the action plan associated with the project.

#### *Acquisition*

it is relevant only for projects that require the purchase of goods, services, or works. The purpose of this stage is to select the most suitable supplier/service provider for the implementation of the project, based on the constraints established by cost, quality, time,

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<i>Planning</i>	<p>and scope. The procurement stage concludes with the selection and signing of a contract with the chosen supplier/service provider.</p> <p>involves creating a solid foundation for the execution, monitoring, and control of the project, with a clear identification of the deadlines for completion and the activities to be carried out by the beneficiary, user, and provider/contractor, in order to achieve the desired objectives. The goal of this stage is to ensure that there is a common understanding of how to achieve the quality of deliverables, identify, assess, and monitor risks, issues, and changes related to the project, and monitor the project's progress, including the frequency of reporting, etc. During this stage, in addition to the internal action plan of the NBM, a project management plan is developed in agreement with the provider/contractor, in accordance with the requirements outlined in the specifications and the provider's/contractor's offer. This plan includes the implementation period of the project as stipulated in the contract resulting from the procurement procedure. The project management plan outlines how the provider/contractor proposes to execute the project, including the presentation of subsidiary plans that will be used throughout the project.</p>
<i>Implementation</i>	<p>the implementation of the project begins after the approval of the Project Management Plan, along with the holding of the project kick-off meeting. The primary goal of this stage is to deliver goods/provide services in accordance with the established requirements, including those in the specifications, and involves carrying out all the planned activities in the Project Implementation Plan while adhering to the defined scope, time, cost, and quality indicators. This stage is divided into sub-stages according to the Project Implementation Plan agreed upon with the Provider/Contractor. The completion of the stages/sub-stages related to project execution is accompanied by the signing of acceptance documents for the deliverables obtained. The signing of acceptance documents is preceded by a thorough verification of the compliance of the deliverables with the acceptance criteria established in the Tender Documents, to ensure the desired quality.</p>

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<i>Monitoring and control</i>	<p>the objective of this stage is to monitor, track, and report on the progress of the project in order to achieve the defined performance objectives.</p> <p>Monitoring and control activities involve:</p> <ul style="list-style-type: none"><li>• monitoring the progress of the project, including deviations from the tolerances related to project constraints;</li><li>• comparing achievements with the initial plan;</li><li>• identifying potential issues;</li><li>• initiating preventive/corrective measures;</li><li>• authorizing additional activities necessary to initiate preventive/corrective measures.</li></ul>
<i>Closure</i>	<p>the project closure takes place upon the signing of the final acceptance document between NBM and the provider/contractor regarding the project deliverables, as well as the preparation and approval of the final project report at the CDG level. Before approving the project closure, the MG and CDG ensure that the objectives, all deliverables, and the key performance indicators to be achieved during the project implementation process have been met, according to the predefined quality criteria. In cases where the project does not involve a provider, and therefore does not result in the signing of a final acceptance document, the project concludes with the approval of the final project report at the CDG level, prepared by the project manager. At project closure, all project documentation is included in the project file. The project manager (or deputy manager, project assistant, as applicable) is responsible for compiling the project file and transmitting it for storage/archiving, in accordance with the established internal regulations.</p>
<b>The reporting process related to project and program management</b>	<p>the reporting of project and program management includes the following dimensions:</p> <ul style="list-style-type: none"><li>• project-level reporting;</li><li>• portfolio-level reporting</li></ul>
<i>Project-level reporting</i>	<p>it is carried out according to the frequency and method agreed upon in the Project Management Plan, based on weekly progress reports (as applicable), end-of-stage reports,</p>

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<p><i>Portfolio-level reporting for projects and programs</i></p>	<p>monthly reports (as applicable), exception reports (as applicable), and the final report at project closure.</p> <p>It is provided by the Coordinator of SGPP through dashboards as follows:</p> <ul style="list-style-type: none"><li>• quarterly, by the end of the month following the reporting quarter, to the members of the EC, via an information note in the Electronic Document Management System;</li><li>• semi-annually, by the end of the month following the reporting semester, during the NBM EC meeting;</li><li>• semi-annually, during the NBM SC meeting.</li></ul> <p>One year after the project closure, a post-implementation evaluation report is prepared to monitor how the project continues to achieve the expected benefits. The report includes documentation of the project's impact on the activities within its scope, a comparative analysis of the situation before and one year after the project's completion, an assessment of how the key performance indicators were achieved that could only be met through the use of the deliverables created during the project, as well as other aspects deemed relevant depending on the project's specifics.</p>
<p><b>Methodologies</b></p>	<p>projects and programs at NBM are managed based on the most recognized international methodologies in project management, specifically according to the following related guidelines:</p> <ul style="list-style-type: none"><li>• The Project Management Body of Knowledge (PMBOK Guide) contains some of the most widely recognized project, program, and portfolio management standards developed and published by the Project Management Institute (PMI), a non-profit organization in the USA founded in 1969.</li><li>• Prince2 Official Training Manual: Managing Successful Projects, which contains the project management methodology of AXELOS, created in 2014. The Prince2 (Projects IN Controlled Environments) methodology is also one of the most widely used methodologies globally in project management.</li></ul>