

THE WORLD BANK IN MOLDOVA

PORTFOLIO OVERVIEW



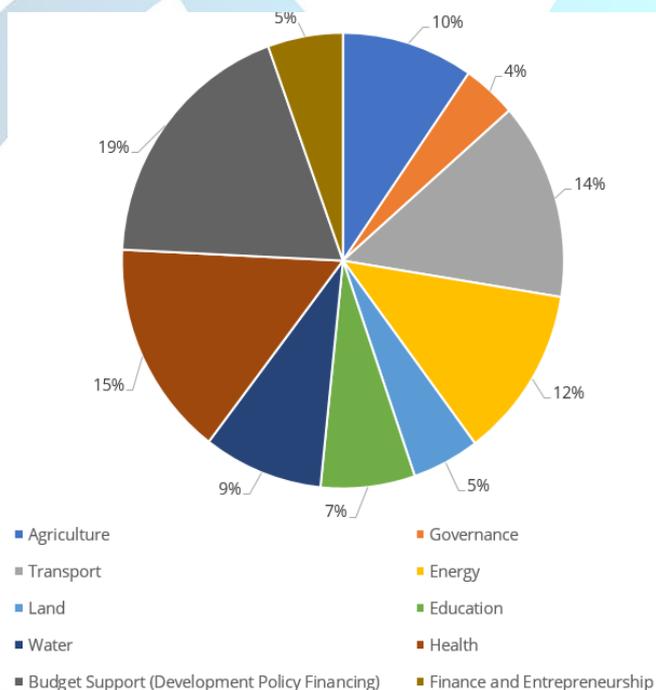
THE WORLD BANK GROUP SUPPORTS MOLDOVA'S GREEN, RESILIENT, AND INCLUSIVE LONG-TERM DEVELOPMENT AND HELPS TO RECOVER FROM THE SHORT-TERM IMPACTS OF THE COVID-19 PANDEMIC, ENERGY, AND REFUGEE CRISES

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OVERVIEW

Since Moldova joined the World Bank (WB) in 1992, close to US\$2 billion has been allocated to more than 75 operations in the country. On May 1, 2023, the WB investment portfolio includes 11 active projects totaling US\$611 million in commitments. Areas of support include agriculture, roads, water and sanitation, energy, health and education, regulatory reform and business development, modernization of government services, tax administration, land registration, education, and health, including the COVID-19 emergency response.



Despite a solid economic performance over the past two decades, Moldova remains among the poorest countries in Europe. Although a growth model reliant on remittance-induced consumption has generated high growth and reduced poverty, it had become less sustainable well before the recent crises.

The pandemic, the energy crisis, and most recently, the refugee crisis caused by Russia’s invasion of Ukraine starkly exposed the weaknesses of this growth model. Moldova is one of the countries most affected by

Russia’s invasion of Ukraine, not only because of its physical proximity but also because of its inherent vulnerabilities as a small, landlocked economy with historically close economic links to both Ukraine and Russia.

Heavy reliance on imports to meet energy needs has left Moldova vulnerable to disruptions in the supply of energy, but also other food and commodity imports from Ukraine and Russia.

Import disruptions and high inflation are further eroding the competitiveness of firms and household incomes, especially for the most vulnerable.

The influx of refugees to Moldova has resulted in additional fiscal costs, squeezing resources for long-term development priorities.

The government, which has a strong mandate, parliamentary support, and trust among citizens and international partners, is striving to mitigate the immediate economic impact while maintaining momentum on the long-term development agenda. The government’s program has set ambitious goals to tackle both recent and more longstanding development challenges, encompasses a broad range of reforms aimed at poverty reduction, job creation, increase in domestic and foreign investment, and strengthening both policies and institutional capacity to improve governance and justice systems, and strengthen anti-corruption efforts. These efforts will now be bolstered by the European Council’s decision to grant European Union (EU) Candidate country status to Moldova.

The new 2023-27 World Bank Group (WBG) Country Partnership Framework (CPF) for Moldova is designed to support the country in its efforts to transition to a new growth model, to respond both to the immediate crisis and to address Moldova’s longer-term development agenda with the goal to advance the EU accession agenda.

COUNTRY PARTNERSHIP FRAMEWORK FOR FISCAL YEARS 2023-2027



The WBG’s [Country Partnership Framework \(CPF\) with the Republic of Moldova](#) for fiscal years (FY¹) 2023-27 will support the government’s efforts to move to a new economic model and is based on the challenges identified in the [2021 Systematic Country Diagnostic](#) update and the [Country Private Sector Diagnostic](#); the government’s medium-term strategy; lessons learned from the implementation of previous CPFs; and selectivity principles based on the WBG’s comparative advantage and areas of emphasis of partner programs. The overarching objective of the CPF is to support green, resilient, and inclusive development and competitiveness in Moldova. The CPF will feature three High- Level Outcomes (HLOs) to guide the partnership. The CPF program will have a clear strategic focus and selectivity while maintaining flexibility to respond to a changing environment, with the aim to support both short-term crisis-related needs as well as longer-term development goals. The three HLOs—focusing on increasing opportunities for formal employment, improving human capital, and increasing resilience to climate change and crises—are well aligned with the priorities identified to promote inclusive and sustainable development. HLO 1 focusing on increasing opportunities for formal employment will be supported by targeted interventions aiming to increase the competitiveness of enterprises and decrease the regulatory burden. The focus on improving human

capital as HLO 2 will be supported by targeted interventions aiming to increase the quality and relevance of education services and improve the quality and accessibility of health services. Finally, the focus on increasing green and resilient investments reflects the priority of strengthening resilience, particularly to climate change. HLO 3 will be supported by targeted interventions to increase energy security and efficiency and promote green and resilient investments in infrastructure and agriculture. These three HLOs focus on longer-term development challenges that span several CPF periods, while the six CPF Objectives focus on interventions and results that are expected to be achieved over the 5-year CPF period.

A critical feature of the CPF will be capacity-building and digitization efforts to strengthen systems and institutions across a broad swath of government and private sector actors at national and local levels.

The CPF aims to support the dual challenges of the current crisis stemming from Russia’s invasion of Ukraine as well as longstanding and longer-term reform challenges, with a phased approach of activities to support the development agenda and the goal to advance toward EU accession. The CPF identifies activities – both lending and analytical – for the initial period of the CPF and leaves flexibility to program the outer years on the foundation of the initial program.

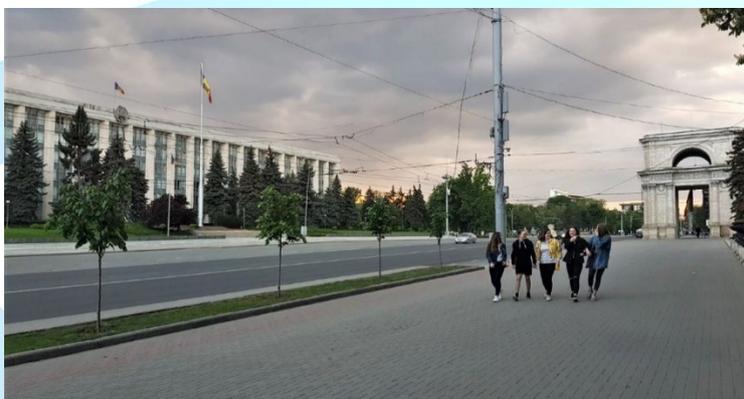
| CPF high-level outcomes | High-level Outcome 1: Increased Opportunities for Formal Employment | High-level Outcome 2: Improved Human Capital | High-level Outcome 3: Increased Resilience to Climate Change and Crises |
|---|--|---|--|
| CPF objectives | Objective 1.1: Increase the competitiveness of Moldovan enterprises | Objective 2.1: Increase the quality and relevance of education services | Objective 3.1: Increase energy security and efficiency |
| | Objective 1.2: Decrease the regulatory burden | Objective 2.2: Improve the quality and accessibility of health services | Objective 3.2: Promote green and resilient investments in infrastructure and agriculture |
| Strengthening systems and institutions, including through digitalization and capacity-building, underpins all CPF Objectives | | | |

¹ FY timeframe is July 01 of the current calendar year through June 30 of the following calendar year.

WORLD BANK GROUP'S PROGRAM

The WB will continue to rely on investment project financing (IPF²) and Development Policy Financing (DPF³). The financing envelope will be complemented by considerable support through Advisory Services and Analytics (ASA⁴).

DEVELOPMENT POLICY FINANCING



Development Policy Operations (DPOs) in Moldova support all three HLOs and provide direct budget support for policy and institutional reforms and policy advice to help shape and support the government's reform program. DPOs focus on transformational changes in a number of key sectors of the economy, such as the financial sector, agriculture, transport, energy, etc., and supported overall enhancements in the business climate, digitalization agenda, trade, and governance reforms. The Moldova Multi-donor Trust Fund (MDTF), established to support the DPO series, has mobilized significant grant amounts from the US, Norway, Ireland, and Sweden.

The current budget support operations are:

- **Moldova Emergency Response, Resilience, and Competitiveness DPO⁵** (P175640, approved on June 2, 2022; total financing: US\$159.24 million, of which International Bank for Reconstruction and Development (IBRD) US\$43.0 million, International Development Association (IDA) US\$107.0 million, and Trust Funds (Global Concessional Financing Facility (GCFF) US\$9.24 million);
- **Moldova Emergency Response, Resilience, and Competitiveness Supplemental DPO⁶** (P180359, approved on December 2, 2022; total financing: grant funds of US\$43.76 million from the US and Norway;
- **Moldova Emergency Response, Resilience, and Competitiveness DPO⁷** (P179086, an operation currently in preparation; tentative total financing: IBRD US\$100.0 million; additional grant funds are being mobilized).

The DPO series aims to help the authorities mitigate the economic impact of Russia's invasion of Ukraine while maintaining momentum on the long-term agenda. The policy reforms are structured around Increasing support to refugees and households and building resilience and enhancing competitiveness to reduce vulnerabilities to future shocks. The program, among others, includes measures to enhance the energy efficiency, strengthen households' financial resilience by increasing the coverage of the bank deposits guarantee scheme, and increase fiscal and institutional resilience by strengthening the corporate governance of state-owned enterprises.

The DPO series also support the digitalization of public services to reduce the cost of dealing with public administration and improve access to finance.

To achieve this set of specific development results, the operations are built on strong analytical foundations and based on the government's development objectives.

² **Investment project financing (IPF)** operations provide financing for a wide range of activities aimed at creating the physical and social infrastructure necessary to reduce poverty and create sustainable development.

³ **Development Policy Financing (DPF)** supports a Member Country's program of policy and institutional actions that promote growth and sustainable poverty reduction. DPF financing helps a borrower address actual or anticipated development financing requirements of domestic or external origins through general budget financing that is subject to the borrower's own implementation processes and systems.

⁴ **Advisory Services and Analytics (ASA)** are discrete and programmatic non-lending activities of the World Bank that help its external clients to attain a specific development objective and, through advice and analysis, to design and implement better policies, strengthen institutions, build capacity, inform development strategies or operations, or contribute to the global agenda.

⁵ <https://projects.worldbank.org/en/projects-operations/project-detail/P175640>

⁶ <https://projects.worldbank.org/en/projects-operations/project-detail/P180359>

⁷ <https://projects.worldbank.org/en/projects-operations/project-detail/P179086>

ACTIVE OPERATIONS

CPF HIGH-LEVEL OUTCOME 1: INCREASED OPPORTUNITIES FOR FORMAL EMPLOYMENT

Micro, Small, and Medium-sized Enterprise Competitiveness Project⁸



| | |
|-------------------------------|---|
| Financing Instrument: | IPF |
| Approval Date: | June 27, 2022 |
| Closing Date: | August 02, 2027 |
| WB Financing: | US\$50 million |
| Implementing Agencies: | Ministry of Economic Development and Digitalization |

PROJECT DEVELOPMENT OBJECTIVE:

To reduce the regulatory burden, increase access to finance, increase the export competitiveness of Moldovan enterprises, and, in case of an Eligible Crisis or Emergency, respond to it promptly and effectively.

Objective will be achieved by:

- [Digitization and Regulatory reform](#) – scaling up digitization of Government-to-Business services at the national and local levels, enhancing and digitizing inspection services, improving interoperability and integrated service delivery for enterprises, as well as simplifying the regulatory environment to reduce the regulatory burden.
- [Access to Finance](#) – supporting the Credit Guarantee Facility within the Organization for Entrepreneurship Development⁹, the Moldovan small and medium enterprise (SME) development organization, for the provision of credit guarantees for loans to SMEs and strengthening the institutional capacity of ODA.
- [Micro, Small, and Medium-sized Enterprise \(MSME\) Development and Export Competitiveness](#) – supporting firms through matching grants, export readiness, supplier linkages, and export promotion programs.
- [Contingency Emergency Response Component](#) - unfunded contingency component that can be activated in case of a relevant emergency event.

Results expected:

- ✓ Reduction in compliance costs for businesses in meeting regulatory requirements.
- ✓ Increased value of exports generated by MSMEs supported by the project.
- ✓ Increased percentage of matching grant facility recipients that are engaged in a new export-oriented activity.
- ✓ Increase in the online application rate by businesses for getting business permits through the electronic one-stop shop.

⁸ <https://projects.worldbank.org/en/projects-operations/project-detail/P177895>

⁹ Organization for Entrepreneurship Development (*Organizația pentru Dezvoltarea Antreprenoriatului*)

Moldova Agriculture Competitiveness Project¹⁰



| | |
|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | May 1, 2012 |
| Closing Date: | December 31, 2024 |
| WB Financing: | US\$54.98 million |
| Trust Fund: | US\$7.54 million (Global Environment Facility) |
| Implementing Agencies: | Ministry of Agriculture and Food Industry Ministry of Environment "Moldsilva" Agency |

PROJECT DEVELOPMENT OBJECTIVE:

To enhance the competitiveness of the agro-food sector by supporting the modernization of the food safety management system, facilitating market access for farmers, and mainstreaming agro-environmental and sustainable land management practices.

Objective will be achieved by:

- [Enhancing Food Safety Management](#) – technical capacity strengthening of the country's food safety management system, as well as ensuring regulatory harmonization with EU requirements.
- [Enhancing Market Access Potential](#) - establishment and further organization of producer groups while supporting the demand of these groups for modern production standards and post-harvest technologies.
- [Enhancing Land Productivity through Sustainable Land Management](#) – enhancement of land productivity by mainstreaming sustainable land management and good agricultural and environmental practices.
- [Compensatory Sales Support Grants](#) – support to farmers who were affected by the trade restrictions on Moldovan agro-food exports imposed by the Russian Federation in 2013-2014.

Results Achieved:

- ✓ Sixty-four producer groups were created and benefited from business advisory services in operations and marketing, and matching investment financing in critical post-harvesting infrastructure.
- ✓ More than 60% of the producer groups experienced a substantial increase in the total value of sales and overall, the value of producer groups' sales has increased by more than US\$6.0 million. The project-supported producer groups have dynamically diversified markets and supply premium produce to premium wholesale and retail outlets in the EU and beyond.
- ✓ The National Food Safety Agency¹¹ central office building was rehabilitated and supplied with equipment.
- ✓ The NFSA staff were trained to set up the core organizational business processes and develop three critically important IT management systems, including for traceability of animal products imported and exported from Moldova.
- ✓ Five Border Inspection Points were renovated, equipped, and staff trained to ensure alignment with the EU standards and facilitate trade and exports to the EU.
- ✓ The capacity of the country's food safety laboratories to conduct testing of animal and plant products was strengthened to ensure their quality and safety.
- ✓ Sustainable land management practices were promoted by rehabilitating more than 2241,7 hectares of shelterbelts in 75 communities and funding was provided to 253 farmers to shift to improved land management techniques on an area of 58,649 hectares.

¹⁰ <https://projects.worldbank.org/en/projects-operations/project-detail/P118518>

¹¹ ANSA (Agenția Națională pentru Siguranța Alimentelor)

Moldova Land Registration and Property Valuation Project¹²



| | |
|------------------------------|------------------------|
| Financing Instrument: | IPF |
| Approval Date: | August 30, 2018 |
| Closing Date: | June 30, 2024 |
| WB Financing: | US\$28.1 million |
| Implementing Agency: | Public Services Agency |

PROJECT DEVELOPMENT OBJECTIVE:

To improve the quality and transparency of the land administration and property valuation systems.

Objective will be achieved by:

- [First Property Registration](#) - first registration of public and private land in Moldova; strengthening the data quality for records already in the land register.
- [Property Valuation](#) – extending mass valuation to incorporate properties that are currently not included and carrying out selected revaluation of properties to help improve the transparency of the property market and keep the property valuation system current and usable.
- [Land Administration System Strengthening](#) - strengthening of the land sector in Moldova by facilitating policy dialogue and conducting a review of the existing institutional and regulatory frameworks and proposing improvement where possible; encouraging the development of simplified business processes and modernization of cadaster services and supporting the development of the National Spatial Data Infrastructure (NSDI).

Results achieved:

- ✓ First property registration progressing for 420,000 public and private properties with 8,000 titles issued.
- ✓ Property registration process improved through the introduction of public consultations and public awareness campaigns ensuring citizen engagement and awareness of the procedures, activities, and benefits at first property registration.
- ✓ A comprehensive appeals system put in place to monitor feedback received from property owners and provision of a formal avenue for them to appeal.
- ✓ International Technical Assistance provided to the relevant national agencies in building modern valuation models.
- ✓ Regulatory framework adjusted to facilitate improved property registration and valuation.
- ✓ Cadastral archived records digitized 70 percent while the scanning of incoming documents ensures the sustainability of the Digital Archive.
- ✓ NSDI as a platform for data sharing for efficient and informed decision-making progressing with national Geoportal established.

¹² <https://projects.worldbank.org/en/projects-operations/project-detail/P161238>

Modernization of Government Services Project¹³



| | |
|------------------------------|---------------------|
| Financing Instrument: | IPF |
| Approval Date: | August 22, 2017 |
| Closing Date: | April 30, 2025 |
| WB Financing: | US\$20 million |
| Implementing Agency: | e-Governance Agency |

PROJECT DEVELOPMENT OBJECTIVE:

To improve access, efficiency, and quality of delivery of selected government administrative services.

Objective will be achieved by:

- [Administrative Service Modernization](#) – improvements in government services processes to address excessive administrative requirements, the inefficiency of public institutions, ineffective communication, and other deficiencies, creating barriers for citizens and businesses in accessing government administrative services.
- [Digital Platform and Services](#) – digitization of selected reengineered administrative services, strengthening of a common infrastructure and mechanisms for rapid deployment of ICT-enabled administrative services, and introduction of government-wide IT management and cyber security standards and procedures. Acquisition of additional shared computing infrastructure elements, digitization of at least 15 government services needed to deliver government services electronically, development of IT management and cyber security standards and procedures, and a learning management system to mainstream them within the government.
- [Service Delivery Model Implementation](#) - alignment of institutional and staff capabilities of key government agencies with the new citizen-centric model and digital administrative service delivery arrangements, implemented under the components listed above.

Results Achieved:

- ✓ 88 administrative services for citizens and businesses were re-engineered as prioritized by the government.
- ✓ First three re-engineered services were fully digitalized, and the remaining 85 services are commencing digitalization.
- ✓ 17 Centers for Assisted Service Delivery¹⁴ at the local level were piloted and 63 more Centers are undergoing preparation for launch.
- ✓ An impressive number of platforms to enable services digitalization and to facilitate their delivery were developed, including the Registry of Public Services, the new Public Services Portal, MCabinet for Citizens, MCabinet for Business, MPower, MNotify, MDelivery, and Digital Front Office.
- ✓ More than 34 legal and regulatory acts were approved by the government and Parliament to support Moldova's digital transformation and services modernization.

¹³ <https://projects.worldbank.org/en/projects-operations/project-detail/P148537?lang=en>

¹⁴ CUPS (Centru Unificat de Prestare a Serviciilor)

Tax Administration Modernization Project¹⁵



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|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | June 6, 2016 |
| Closing Date: | November 30, 2023 |
| WB Financing: | US\$20 million |
| Implementing Agencies: | Ministry of Finance State Tax Service (STS) |

PROJECT DEVELOPMENT OBJECTIVE:

To support business survival and sustain employment in the context of the COVID-19 pandemic, through temporary tax relief, and improve taxpayer services in the Republic of Moldova.

Objective will be achieved by:

- [Tax Policy, Tax Administration Reform, and Operational Development](#) –support the government in increasing the efficiency of the tax policy and tax administration, including strengthening the operational capacity of the STS.
- [Institutional Development](#) - strengthening of STS performance and service delivery.
- [The IT Infrastructure and System Modernization](#) – the provision of relevant hardware and software, carrying out IT Capability Gap Assessment for the STS.
- [Maintaining Employment and Business Survival in the context of the COVID-19 pandemic](#) – support the government in mitigation of the negative fiscal impact of the COVID-19 pandemic.

Results Achieved:

- ✓ Legal framework and transparent mechanism for implementing the government's two conditional subsidy programs - Payroll Subsidy Program and VAT Refund Program – aimed at maintaining employment and business survival during the pandemic created and successfully implemented.
- ✓ STS's new single website¹⁶ with improved features, including a friendly design for people with special needs, has been developed and is operational from April 1, 2021.
- ✓ Electronic taxpayer survey tool, aimed at collecting taxpayers' feedback to improve STS's business procedures and service delivery, has been put into operation since mid-September 2021. To date, the STS conducted 10 surveys through this tool, including 4 during the piloting stage. 80 laptops for the e-taxpayer survey tool were procured.
- ✓ Distance learning training system for the STS staff was developed and is actively used. The project supported the development of 12 core distance learning programs in 2020. Since then, the STS expanded its online training base to 252 training courses and programs.
- ✓ The capacity of the STS staff to deliver taxpayer services has been strengthened. A Manual on Taxpayer Services has been developed, and all eligible STS staff from all offices (709 persons) passed the Manual-based training in 2020. Further training of STS staff is continued under the distance learning training system.
- ✓ STS's IT operational capacity has been improved through the procurement of 400 items of computer and system operating equipment, 45 items of video-conferencing equipment, and antivirus licenses.

¹⁵ <https://projects.worldbank.org/en/projects-operations/project-detail/P127734?lang=en>

¹⁶ <https://sfs.md/ro>

CPF HIGH-LEVEL OUTCOME 2: IMPROVED HUMAN CAPITAL

Higher Education Project¹⁷



| | |
|------------------------------|------------------------------------|
| Financing Instrument: | IPF |
| Approval Date: | March 5, 2020 |
| Closing Date: | December 31, 2025 |
| WB Financing: | US\$39.4 million |
| Implementing Agency: | Ministry of Education and Research |

PROJECT DEVELOPMENT OBJECTIVE:

To improve the labor market orientation of selected higher education institutions and the quality assurance mechanisms.

Objective will be achieved by:

- [Improving the Quality Assurance Mechanisms](#) - improve Moldova's higher education system's quality assurance mechanisms, which would also contribute to improving its labor market orientation; and
- [Improving the Labor Market Orientation through Targeted Interventions](#) - support for the design and implementation of a targeted and needs-based program (Higher Education Improvement Program - HEIP25) aimed at improving the labor market orientation of Moldova's higher education institutions, as well as their research capacity.

Results Achieved:

- ✓ A new mechanism of national higher education system financing was piloted. The mechanism is based on a per capita financing principle with performance indicators to raise the efficiency and transparency of public spending in the sector. This financing mechanism will be fully implemented in the new academic year 2022/23.
- ✓ With the project's help, the National Quality Assurance Agency of Moldova applied to the European National Quality Assurance Agencies Association and European Quality Assurance Agencies Register for full membership within the joint European Higher Education Area. This important step will bring Moldova's higher education system closer to European standards and will eventually contribute to facilitating access to the European labor market for graduates of Moldovan universities.
- ✓ The development of qualification standards in higher education is also advancing. To date, 29 of 300 standards have been developed and 770 Bachelor and Master programs improved since the start of the project. As a result, academic programs in Moldovan universities will be more closely aligned with the skills demanded by employers, making students more prepared to succeed in the labor market.

¹⁷ <https://projects.worldbank.org/en/projects-operations/project-detail/P167790>

Moldova Emergency COVID-19 Response Project¹⁸



| | |
|-------------------------------|---|
| Financing Instrument: | IPF |
| Approval Date: | April 24, 2020 |
| Closing Date: | April 30, 2024 |
| WB Financing: | US\$87.9 million |
| Trust Fund: | US\$3.48 million (Pandemic Emergency Financing Facility) |
| Implementing Agencies: | Ministry of Health Ministry of Labor and Social Protection |

PROJECT DEVELOPMENT OBJECTIVE:

To prevent, detect and respond to the threat posed by the COVID-19 pandemic in the Republic of Moldova.

Objective will be achieved by:

- [Provision of medical supplies and equipment](#) to support strengthening disease surveillance systems and the capacity of selected public health laboratories to confirm cases.
- [Strengthening of public health facilities](#) to provide critical care to COVID-19 patients and minimize the risk that healthcare staff and other patients will be infected.
- [Information and communication activities](#) to raise awareness, knowledge, and understanding among the general population about the risk and potential impact of the pandemic.
- [Social protection through the Ajutor Social program](#) for target vulnerable populations that may be adversely affected by COVID-19.
- [Development and strengthening vaccine-related infrastructure](#), immunization systems, and service delivery capacity, including, inter alia, cold chain facilities, waste management infrastructure, remote temperature monitoring, vehicles and logistics infrastructure, digital data systems for monitoring of vaccination, and forecasting needs in terms of vaccines, supplies, and equipment.

Results Achieved:

- ✓ Supported the increase of COVID-19 testing capacity by equipping five laboratories with real-time PCR systems and providing over 700,000 rapid antigen tests and more than 500,000 polymerase chain reaction (PCR) tests.
- ✓ Supported procurement of six adult and pediatric Type C and two neonatal ambulances, for high-risk patients.
- ✓ Supported the increase in the number of intensive care COVID-19 beds, by supplying 364 beds in all hospitals across the country, involved in the treatment of COVID-19 patients, and refurbished 11 intensive care units.
- ✓ Supported procurement of essential medical equipment, personal protection equipment, and many more items to help the frontline medical staff in 55 hospitals where COVID-19 cases were treated.
- ✓ Almost 97,000 households benefited from receiving EUR 21.9 million in social assistance provided to help the most economically vulnerable citizens cope with the immediate impact of the pandemic through the targeted Ajutor Social Program.
- ✓ Supported a communication campaign that was critical for awareness raising.

¹⁸ <https://projects.worldbank.org/en/projects-operations/project-detail/P173776>

CPF HIGH-LEVEL OUTCOME 3: INCREASED RESILIENCE TO CLIMATE CHANGE AND CRISES

Moldova Power System Development Project¹⁹



| | |
|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | May 8, 2019 |
| Closing Date: | August 31, 2024 |
| WB Financing: | US\$70 million |
| Counterpart Funding: | US\$5 million |
| Implementing Agencies: | Ministry of Energy "Moldelectrica" State Enterprise |

PROJECT DEVELOPMENT OBJECTIVE:

To increase capacity and improve reliability of the power transmission system in Moldova.

Objective will be achieved by:

- Construction of 400kV Vulcanesti-Chisinau overhead transmission line;
- Extension of two existing substations (SS) consisting of an upgrade of 330kV Chisinau SS and extension of 400 kV Vulcanesti SS. The upgrade and extension of the existing SSs at Vulcanesti and Chisinau are necessary to accommodate the new 400 kV overhead power transmission line.
- Strengthening of power dispatch and metering system.

Results Expected:

- ✓ Increased transmission capacity along the Vulcanesti-Chisinau corridor.
- ✓ Reduced number of interruptions between Chisinau SS and Vulcanesti SS.

¹⁹ <https://projects.worldbank.org/en/projects-operations/project-detail/P160829>

Moldova Second District Heating Efficiency Improvement Project²⁰



| | |
|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | June 18, 2020 |
| Closing Date: | December 31, 2025 |
| WB Financing: | US\$100 million |
| Implementing Agencies: | Ministry of Energy "Termoelectrica" Joint-stock Venture |

PROJECT DEVELOPMENT OBJECTIVE:

To increase the efficiency of the district heating system in Chisinau.

Objective will be achieved by:

- [Optimization of Heat and Electricity Generation](#) - installation of new cogeneration units to increase and optimize the efficiency of heat and electricity production in cogeneration mode.
- [Energy Efficiency Investments](#) – heat supply optimization and energy efficiency improvements at the company and consumer levels including by installing individual heat substations and associated piping covering public, residential, and other buildings.

Results Achieved:

- ✓ New generation capacity constructed; end target: 55 Megawatt electric.
- ✓ An increased number of people benefit from high-quality and efficient heat and domestic hot water supply.
- ✓ An increased number of buildings where individual heat substations were installed, and improved quality of service is reported.
- ✓ Improved operational performance of Termoelectrica.
- ✓ Net annual CO₂ emission reductions.

²⁰ <https://projects.worldbank.org/en/projects-operations/project-detail/P172668>

Moldova Water Security and Sanitation Project²¹



| | |
|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | January 31, 2022 |
| Closing Date: | January 31, 2027 |
| WB Financing: | US\$50 million |
| Trust Fund: | US\$1.8 million (Austrian Development Agency) |
| Implementing Agencies: | Ministry of Infrastructure and Regional Development Ministry of Environment Regional and local governments |

PROJECT DEVELOPMENT OBJECTIVE:

To increase access to safely managed water supply and sanitation services in selected rural areas and towns, and to strengthen national and local institutional capacity for water supply and sanitation service delivery; and in case of an Eligible Crisis or Emergency, respond to it promptly and effectively.

Objective will be achieved by:

- [Increasing access to safely managed water supply and sanitation \(WSS\) services in selected rural areas and towns](#) - new and rehabilitates existing WSS infrastructure and water, sanitation, and hygiene (WASH) facilities in rural areas and towns, thus expanding access and quality of services for households, businesses, and public institutions and supporting resilience.
- [Strengthening institutional capacity at national and local levels for WSS service delivery](#) - institutional capacities of national and subnational entities and WSS operators for management, planning, regulation and reform implementation, and performance improvement of service providers for green, resilient, and inclusive service delivery.
- [Contingent emergency response component](#) -allows for rapid reallocation of credit/loan proceeds from other components during an emergency under streamlined procurement and disbursement procedures. This component allows the government to request the WB to recategorize and reallocate financing from other project components to cover emergency response and recovery costs.

Results Expected:

- ✓ Increased access to safely managed WSS services in selected rural areas and towns.
- ✓ People provided with access to safely managed WSS services in selected rural areas and towns.
- ✓ Strengthened national and local institutional capacity for WSS delivery.
- ✓ National Water Supply and Sanitation Sector Development Plan with a prioritized investment program and financing strategy developed and under implementation.
- ✓ Participating operators demonstrating core institutional capacities for improved WSS service delivery.

²¹ <https://projects.worldbank.org/en/projects-operations/project-detail/P173076>

Moldova Local Roads Improvement Project²²



| | |
|-------------------------------|--|
| Financing Instrument: | IPF |
| Approval Date: | October 30, 2015 |
| Closing Date: | July 31, 2023 |
| WB Financing: | US\$80 million |
| Implementing Agencies: | Ministry of Infrastructure and Regional Development State Road Administration Regional and local governments |

PROJECT DEVELOPMENT OBJECTIVE:

To provide safe and sustainable local road accessibility to education, health, and market facilities along selected corridors and enhance local road management capacity.

Objective will be achieved by:

- [The Rehabilitation and Maintenance of the Local Road Network](#) – rehabilitation and upgrading of priority local roads.
- [Institutional Strengthening](#) – a program of institutional strengthening to build capacity within the sector for efficiently and effectively maintaining and improving the regional and local road networks. The support to government institutions will be focused on building capacity for road network management in the State Road Administration and selected local authorities.

Results Achieved:

- ✓ 150 km of priority local roads have been rehabilitated across the country.
- ✓ Road safety infrastructure has been improved in all communities benefiting from the project.
- ✓ 70 education facilities across the country connected by rehabilitated/upgraded local road corridors.
- ✓ 30 health facilities across the country connected by rehabilitated/upgraded local road corridors.
- ✓ Increased local capacity to design and construct local roads; adequate design and construction methods for local roads have been adopted.
- ✓ Increased Rural Accessibility Index to 100%.
- ✓ 69 km of new sidewalks designed and constructed in village sections to enhance the safety of vulnerable road users.
- ✓ Over 5,000 children benefiting from road safety training in rural areas.

²² <https://projects.worldbank.org/en/projects-operations/project-detail/P150357>

PIPELINE OPERATIONS

| PIPELINE OPERATION | Sector | Lending Instrument Type | Expected Approval FY |
|---|----------------|-------------------------|----------------------|
| Moldova Emergency Response, Resilience, and Competitiveness DPO2 | Budget Support | DPF | 2023 |
| Agriculture Governance, Growth, and Resilience Investment Project | Agriculture | IPF | 2023 |
| Education Quality Improvement Project | Education | IPF | 2023 |
| Strengthening Moldova's Disaster Risk Management and Climate Resilience Project | Land | IPF | 2025 |
| Moldova Solidarity and Regional Connectivity Project | Transport | IPF | 2024 |
| Modernization and Improvement of Rehabilitation Services Project | Health | IPF | 2024 |
| Moldova Accelerating Green Infrastructure Through Energy Efficiency Project | Energy | IPF | 2024 |

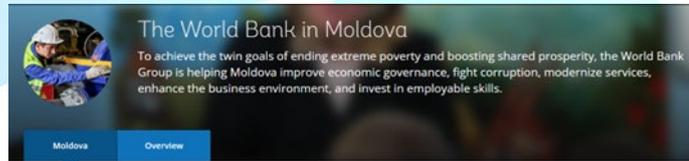
ADVISORY SERVICES AND ANALYTICS²³

| ACTIVITY | Sector | Status | Delivery FY |
|---|-------------------------------------|-----------|-------------|
| Moldova Climate Change and Resilience Review | Environment | Active | 2023 |
| Assessment of Impacts and Needs Arising from Forced Displacement in Moldova | Social Sustainability and Inclusion | Active | 2023 |
| Moldova Country Economic Memorandum | Macroeconomics | Active | 2023 |
| Moldova Poverty Assessment | Poverty and Equity | Active | 2023 |
| Moldova Financial & Private Sector Monitoring Technical Assistance | Finance and Entrepreneurship | Active | 2023 |
| Towards Universal Health Coverage in Moldova (Supported by Swiss Development Agency grant financing) | Health | Active | 2024 |
| Gender and Social Inclusion | Social Sustainability and Inclusion | Active | 2025 |
| Support to Anticorruption, Integrity, and Asset Recovery | Governance | Active | 2026 |
| Moldova Public Procurement Assessment Using MAPS 2 | Governance | Completed | 2021 |
| Moldova Public Finance Review | Macroeconomics | Completed | 2022 |
| Moldova Systematic Country Diagnostic Update: Building Resilience and Enhancing Competitiveness | Macroeconomics | Completed | 2022 |
| Moldova National and Subnational Public Expenditure and Financial Accountability Assessments | Governance | Completed | 2023 |
| Creating Markets in Moldova: Country Private Sector Diagnostic ²⁴ | Finance and Entrepreneurship | Completed | 2023 |

²³ Including Trust Funded activities²⁴ Produced jointly with the International Finance Corporation (member of the World Bank Group)

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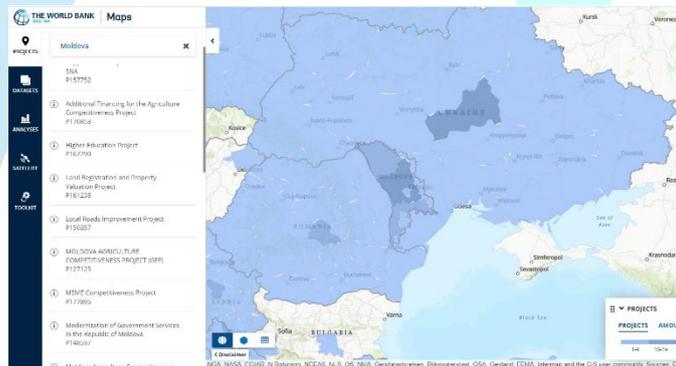
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