

## **The National Programme for the Development of the Public Procurement System for 2023-2026 was approved by the Government**

Development of an efficient public procurement system - is the basic principle promoted through the National Programme for the Development of the Public Procurement System for 2023-2026 approved by the Government on August 30, 2023, at the initiative of the Ministry of Finance. According to the document, the aim of the Programme is focused on establishing lines of action to develop a public procurement system capable of providing "value for money" in the use of public funds.

The main objectives set out in the Programme relate to: harmonization of national legislation with the EU acquis, re-engineering of the e-procurement system, development of mechanisms to ensure sustainability of procurement, creation of conditions for economic and social efficiency of procurement procedures, capacity building and professionalization of procurement staff. The Programme is aligned with the objectives of the 2030 Agenda for Sustainable Development that the Republic of Moldova is committed to implement. Similarly, the Programme contributes to the implementation of the objectives of the National Development Strategy - European Moldova 2030.

*"The Programme comes with a systemic approach, based on a well-defined logical framework of intervention in the development of the public procurement system and was developed for the implementation of the Public Finance Management Development Strategy, for setting priorities and measures in the field of public procurement, but also for supporting national development policies and strategies,"* **Finance Minister Veronica Sirețeanu said at the Government meeting.**

The Programme Information Note states that World Trade Organization (WTO) data, on average, procurement represents 10-15% of an economy's Gross Domestic Product (GDP). The European Commission (CoE) states that, at the European Union (EU) level, more than 250,000 public authorities use around 14% of GDP each year to purchase services, works and goods. According to data provided by the Public Procurement Agency (PAA), public procurement as a percentage of GDP accounted for: 8.94 billion lei (~\$1,902,658,761) or 4.25% of GDP in 2019, 9.04 billion lei (~\$1,923,941,297) or 4.38% of GDP in 2020, 8.45 billion lei (~\$1,798,374,332) or 3.49% of GDP in 2021, and 13.68 billion lei (~\$2,911,450,990) or 5.02% of GDP in 2022.

The Court of Accounts reported that in 2020, the estimated value of low-value procurement (9.01 billion lei, ~\$1,917,556,536) was equal to the total value of public procurement (9.04 billion lei, ~\$1,923,941,297), while showing an increasing trend. "This information brings the share of public procurement (8.74%) in Moldova's GDP to a level similar to that specified by the WTO and much closer to the level of its share at the EU level. This figure reflects the impact of public procurement in promoting sustainable economic development, i.e. in achieving socio-economic benefits," the Information Note says.

It is also noted that in 2020, the share of public procurement (the volume of which accounted for 18.05 billion lei, ~\$3,841,497,834) in the expenditure and non-financial assets of the national public budget amounted to 24.63%. Also, the Government, for servicing the state debt, used financial means in the amount of 1.68 billion lei (~\$357,546,612), and the

personnel expenditure of the General Government amounted to 17.21 billion lei (~\$3,662,724,527) (Figure 1).

"The main attributes associated with the procurement system as a result of its development through the implementation of the National Programme include transparency, efficiency, digitization, integrity, effective planning/management, sustainability, and less bureaucracy for the benefit of the citizen," the document added.

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