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MONITORING MOLDOVA'S PUBLIC PROCUREMENT

Newsletter no. 13 (November 2024)

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EDITORIAL

ALA REVENCO: INCREASINGLY LARGE AMOUNTS OF PUBLIC MONEY ARE BEING USED NON-COMPETITIVELY AND WITH VERY LITTLE TRANSPARENCY



The Public Association "Parents in Solidarity" has monitored the low-value public procurement carried out by six Directorates of Education in the municipality of Chisinau, between July 1, 2023 and June 30, 2024, one year after the entry into force of a new regulation adopted through GD no. 870/2022. The data obtained reveal, in a report, multiple risks and abusive practices

in the public procurement process, which create a climate conducive to corruption and mismanagement of public money.

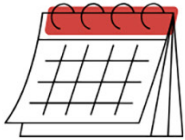
Ala Revenco, executive director of A.O. "Parents in Solidarity", at the [meeting third meeting of the National Platform for Public Procurement](#) on September 26, 2024 dedicated to the topic of low-value public procurement (LVP), expressed concern that increasingly large amounts of public money are being used in conditions of lack of competition and with very little transparency. "The scale and value of low-value procurement has increased over time, but attention to how it is carried out has not. When the thresholds for small-value purchases were up to 80 thousand lei (~4,444 USD) for goods and services and up to 100 thousand lei (~5,555 USD) for works, the situation was less difficult. Now, when we have considerably increased thresholds, 300 thousand lei (~17,000 USD) for goods and services and 375,000 lei (~20,800 USD) for works, and both types of procedures can be carried out through payment invoices or direct contracts, more attention, more serious regulations and stricter monitoring are needed," said Ala Revenco. [CONTINUE ON PAGE 17 »»»](#)

AN ONLINE PLATFORM DEDICATED TO PUBLIC PROCUREMENT IN MOLDOVA, CREATED AT THE INITIATIVE OF IDIS "VIITORUL"

Noutăți Resurse Coaliția de monitorizare PNAP Achiziții publice durabile Despre About



Calendarul achizițiilor publice



Studii, rapoarte



Instrumente de monitorizare



Monitori în achiziții



Întreabă un expert



» [Pulsachizitii.md](https://pulsachizitii.md), an online platform dedicated to public procurement in the Republic of Moldova, was created by the Institute for Development and Social Initiatives (IDIS) "Viitorul" together with the American organization Partnership for Transparency (PTF) within the project "Increasing the Integrity of Public Procurement."

The website has 5 separate headings:

- 1 **NEWS**, where you will find the most relevant information on public procurement;
- 2 **RESOURCES**, including analyses, studies, guides, reports, infographics, newsletters. Also included are the most important legislative and regulatory acts in the field of public procurement, as well as the most important public institutions authorized;
- 3 **PUBLIC PROCUREMENT MONITORING COALITION**, which contains information about the work of the Public Procurement Monitoring Coalition, a communication platform of experts, monitors and like-minded individuals in this field, also launched within the framework of the given project;
- 4 **NPPP** - called National Platform for Public Procurement and launched

within the same project, is about the activity of the permanent mechanism of communication and dialogue between all actors in the public procurement sector - authorities responsible for policy, control, regulation, contracting authorities/entities, non-governmental organizations and contractors;

- 5 **SUSTAINABLE PUBLIC PROCUREMENT** - a section with studies, reports, guides, newsletters, and infographics reflecting the latest in sustainable public procurement.

On the website you will also find the public procurement calendar - where events in the field are published, public procurement monitoring tools, as well as surveys on monitors' experience in monitoring public procurement procedures.

Source: pulsachizitii.md

AT THEIR THIRD MEETING, NPPP MEMBERS DISCUSSED THE SITUATION OF LOW-VALUE PUBLIC PROCUREMENT ONE YEAR AFTER THE ENTRY INTO FORCE OF A NEW REGULATION

» The members of the National Platform for Public Procurement (NPPP) met for the third time on Thursday, September 26, 2024, to discuss low-value procurements (LVP). This meeting occurred one year after the adoption of the new regulation, GD 870/2022, which governs low-value procurements. During the meeting, the Institute for Development and Social Initiatives (IDIS) "Viitorul" and A.O. "Părinți Solidari" presented some recent results of the monitoring activities related to LVP. The NPPP members presented the experience of the authorities and entities they represent and made proposals for overcoming the difficulties in carrying out and reporting LVPs.



USD), an amount almost equal to the what is spent on open procurement (e.g., requests for quotations, public tenders, etc.) "Taking into account that we now have a new regulation, with other thresholds that have increased by about 50%, we could deduce that the amount of low-value procurement has also increased accordingly. There is no information, neither with the Public Procurement Agency nor with the Ministry of Finance, about the value of small-value procurement even one year after implementation. It is important to find out what the situation is one year after the entry into force of the new regulation on low-value procurement. We want to see the main problems, shortcomings and what recommendations we could make to improve certain aspects," said Carolina Ungureanu.



CAROLINA UNGUREANU, deputy director of IDIS "Viitorul", said at the beginning of the meeting that it is important for each of us to be able to see the transparency and efficiency of the use of public money, recalling

the analytical summary of the audit results related to public procurement in the period 2020-2021, in which the [Court of Accounts of the Republic of Moldova](#) estimated that low-value public procurement was about 9 billion lei (~57 million



ALA REVENCO, executive director of A.O. "Parents in Solidarity", likewise referred to the report of the Court of Accounts, according to which in 2020, compared to 2019, LVPs increased by 1.5 billion lei (~86 million

USD). Most of the LVPs were not conducted through MTender, and some of the authorities did not even report them to the Public Procurement Agency (PPA). "The scale and value of small-value procurement has increased over time, but the attention to how we conduct them has not. When the thresholds for small-value procurement was 80 thousand lei (~4,500 USD) for goods and services and 100 thousand lei (~5,700 USD) for works, reporting practices was better. Now, when we have considerable thresholds, 300 thousand lei (~17,200 USD) for goods and services and 375 thousand lei (~21,500 USD) for works, especially when procedures for the same can be realized through payment invoices or direct contracts, we need better reporting and more serious and stricter regulations," said Ala Revenco.



SILVIU PLOPA, junior expert at IDIS "Viitorul", presented a case study that analyzed the situation, problems and trends related to the way in which some contracting authorities have carried out procurement through direct contracting. The

sample studied included 23 central and local authorities, selected from all regions of the country (6 local public authorities of level I and II from each region - North, South, and Center, 1 ministry and 4 central level agencies). In the period July 1, 2023 - June 30, 2024, the 23 contracting authorities reported a total of 3557 direct procurements amounting to 80.22 million lei (~4.6 million USD). According to Silviu Plopa, despite the fact that the new regulation on LVPs aimed to make direct procurements more transparent, there was a lack of data on directly awarded contracts. Although the contracting authorities are obliged to submit information on LVPs to the Automated Information System "State Register of Public Procurement" (SIA RSAP) on a quarterly basis, in many cases this has not happened. Some authorities have not reported any direct contracting procurements in MTender, which violates the law. It is unlikely that a public authority, regardless of size, would have no low-

value procurements by direct contracting of up to 150 thousand lei (~8,600 USD) for goods and services or up to 200 thousand lei (~11,500 USD) for works.



DIANA ENACHI, procurement monitoring coordinator at IDIS "Viitorul", mentioned that the presented analyses are different, carried out on different samples and on different levels, but that they have similar findings

and conclusions, which shows that the problems are likely characteristic of procurements carried out by different authorities. Enachi continued saying that the lack of qualitative data on low-value procurement is not only a problem for monitors, but also for authorities that need to develop evidence-based policies.



GHEORGHE MOVILEANU, director of the PPA, stated that his institution is very interested in being part of NPPP. In his opinion, public money must be used rationally, and each contracting authority must be aware of this. He urged

authorities to resort to small value procurements only for their pressing needs. "My position is that it is very necessary to certify third party actors as procurement specialists. This is very important to broaden the horizon of those who can contribute to the development of this system. I see no point in certifying specialists only from within the contracting authorities, who benefit from our training services anyway. In this respect, we should take over the experience of Austria or Croatia, countries with which we are going to exchange experience in the near future," said Gheorghe Movileanu.

*The press release can be read
on pulsachizitii.md*

PARLIAMENT VOTED FOR LESS TRANSPARENCY IN THE USE OF PUBLIC MONEY

» At the July 4 plenary session, 56 MEPs voted for less transparency in the use of public money. The procedures to be applied for public procurement in projects where at least 50% of the financial resources come from international organizations and financial institutions will be decided by the parties, and compliance with the Public Procurement Law will not be mandatory.

MPs adopted [amendments](#) to Article 3 of Law No 131/2015 on public procurement. Thus, paragraph 5/1 has been added to the existing wording, which reads as follows: *"By way of derogation from para. (5) in the case of public procurement contracts or tenders for solutions co-financed for the most part by an international organization or an international financial institution, the parties shall agree on the applicable procurement procedures."*

Article 5 of Law 131/2015 on Public Procurement already establishes a number of exceptions when the provisions of this law do not apply. One of these cases are the projects implemented according to the specific procedures of an international organization, which provides grants or loans to public authorities of the Republic of Moldova. Here we attribute the procurements realized from loans contracted from international financial institutions, such as BaM, EBRD, EIB, etc., which are not carried out according to Law 131/2015 on Public Procurement and are not published in the MTender system, the whole process being out of sight of the citizens for the benefit of whom these projects are implemented.



The new draft adopted in the Parliament of the Republic of Moldova on July 4, 2024, aims to widen the scope of application of the procedures of international financial institutions, even in projects that are not fully financed from the financial sources made available by these financial institutions.

In other words, if an infrastructure project is to be executed 49% from budgetary resources and 51% from sources made available by an international financial institution, the parties will be able to choose the procedure according to which public procurement will be carried out. In this way, citizens will not be able to know how even the money allocated from the state budget or the money made available by international financial institutions has been spent, because the information becomes confidential for citizens and civil society.

Source: [Agency for Efficient and Accountable Governance](#)

THE REPUBLIC OF MOLDOVA HAS SIGNED THE JOINT EU HEALTH PROCUREMENT AGREEMENT AND WILL BENEFIT FROM FAST, FAIR AND CHEAPER ACCESS TO MEDICINES AND EQUIPMENT

» The Republic of Moldova has signed the Joint Procurement Agreement with the European Union. The document was signed by Health Minister Ala Nemerenco and European Commissioner for Health and Food Safety Stella Kyriakides.



Minister of Health, Ala Nemerenco, underlined that the National Action Plan for Moldova's EU Accession 2024-2027, approved by the government last year, plays a key role in prioritizing legislative and policy harmonization. For the Ministry of Health, the plan includes over 70 specific actions. The minister added that the ministry already has plans in place for the coming years.

"The most important actions are: to modernize rehabilitation services in the Republic of Moldova, to continue investments in the provision of medical equipment and materials, and to provide for the health of refugees and migrants, which remains one of the most pressing challenges for the national health system," the minister stressed at a press conference.

The Health Minister listed the areas in which the Republic of Moldova has aligned quite well with European legislation in recent years, mentioning some areas in which the country is strong, as well as areas that are more complicated.

"Areas where we are quite strong are tobacco control, communicable diseases, health

regulations related to product safety. The areas where we have reached an average level and we still have a lot of work to do to bring them up to EU standards, are regulations on pharmaceuticals and medical devices, substances of human origin, and we are talking about blood transfusion and organ transplantation".

Ala Nemerenco noted that complicated areas for Moldova are cross-border healthcare and the implementation of the European Health Insurance Card, which will have to work for Moldovan patients once the country becomes an EU member.

The European Commissioner for Health and Food Safety, Stella Kyriakides, congratulated the citizens of the Republic of Moldova on the start of EU accession negotiations and said that "the Joint Procurement Agreement with the EU will become an important and useful tool, allowing Moldova to respond more effectively to health crises. By signing this agreement, Moldova will benefit from fast, fair and cheaper access to medicines and equipment".



image: Freepik.com

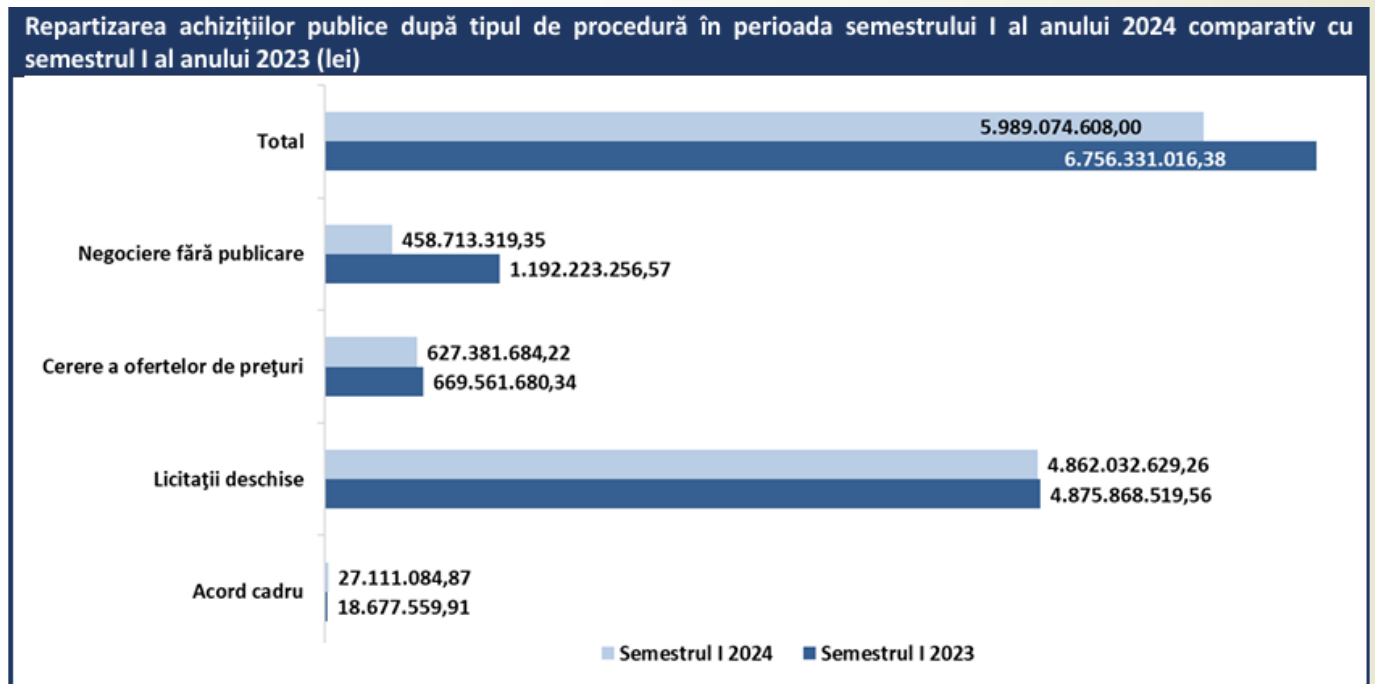
CONTRACTING AUTHORITIES SPENT 11,56% LESS MONEY ON PUBLIC PROCUREMENT IN THE FIRST SEMESTER OF 2024 COMPARED TO THE SIMILAR PERIOD OF 2023

» The Public Procurement Agency, analyzing the information on the total number of contracts concluded as a result of all public procurement procedures, found that during the first two quarters of 2024, public procurement procedures for a total amount of 5,975,238,717.70 lei (~332 million USD) were carried out by contracting authorities. The amount is 781,092,298.68 lei (~43.4 million USD) less than in the first two quarters of 2023. This is a decrease of 11.56% in the financial volumes of public procurements carried out, according to a [report on public procurement activity carried out in the first half of 2024](#), prepared by the Public Procurement Agency.

According to the report, during the first semester of 2024, 14,400 contracts and additional agreements were concluded by contracting authorities, which was 2,201 fewer than in the same period of 2023.

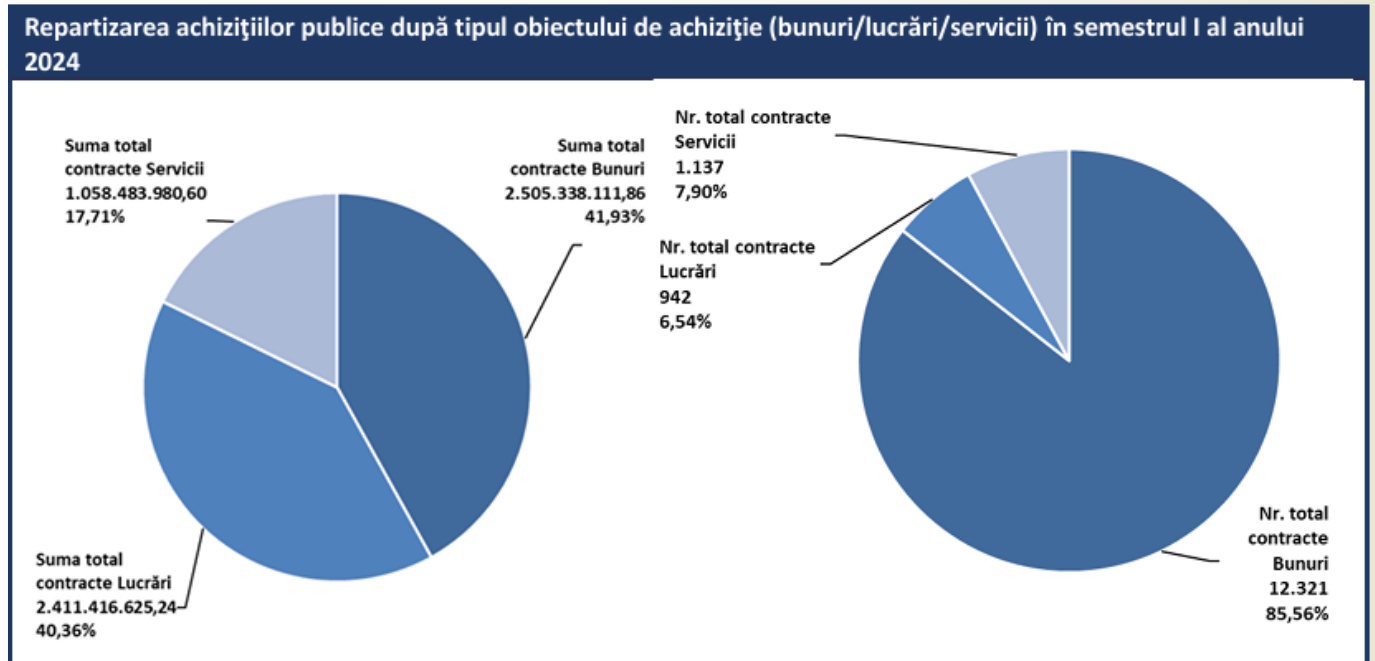
Semestrul I 2024	Semestrul I 2023
<ul style="list-style-type: none">• 3 322 proceduri• 14 400 contracte• 5.975.238.717,70 lei	<ul style="list-style-type: none">• 3 328 proceduri• 16 601 contracte• 6.756.331.016,38 lei

There was also an 11.56% decrease in the number of procedures and the overall volume of public procurement carried out in the first semester of 2024.



Analyzing the information regarding the distribution of public procurements according to the type of procurement object purchased by the contracting authorities in the first semester of 2024, the following were procured:

Bunuri	Lucrări	Servicii
<ul style="list-style-type: none"> • 12 321 contracte • 2.505.338.111,86 lei • 41,93 % 	<ul style="list-style-type: none"> • 942 contracte • 2.411.416.625,24 lei • 40,36 % 	<ul style="list-style-type: none"> • 1 137 contracte • 1.058.483.980,60 lei • 17,71 %



At the same time, in the analyzed period, the following transparency indicators were recorded:

93,37 %	•Ponderea procedurilor cu publicare în BAP după numărul total de proceduri de achiziții publice desfășurate
11,11 %	•Ponderea procedurilor de achiziții publice anulate
92,32 %	•Ponderea achizițiilor publice desfășurate prin proceduri cu publicare în BAP în suma totală a contractelor
456.495,17 lei	•Valoarea medie a unui contract atribuit
4,14	•Numărul mediu de oferte depuse pentru o procedură de achiziție

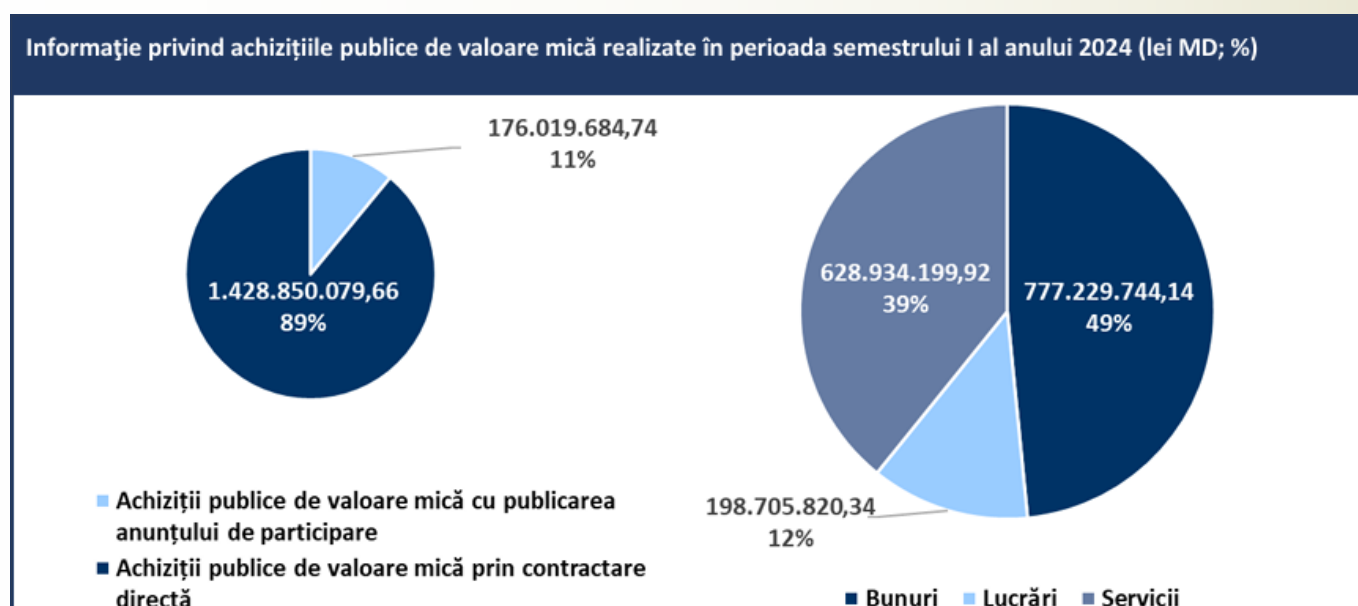
According to the same report, in the first half of the current year, the contracting authorities made low-value public purchases with the publication of the tender notice in the amount of 176,019,684.74 lei:

Achiziții publice de valoare mică cu publicarea anunțului de participare		
176.019.684,74 lei		
Bunuri •104.891.338,88 lei •59,59 %	Lucrări •29.289.823,48 lei •16,64 %	Servicii •41.838.522,38 lei •23,77 %

At the same time, the contracting authorities made public purchases of low value through direct contracting in the total amount of 1 428 850 079.66 lei:

Achiziții publice de valoare mică prin contractare directă		
1.428.850.079,66 lei		
Bunuri •672.338.405,26 lei •47,05 %	Lucrări •169.415.996,86 lei •11,86 %	Servicii •587.095.677,54 lei •41,09 %

Thus, during the first semester of 2024, the contracting authorities made low-value public purchases in the amount of 1,604,869,764.40 lei.



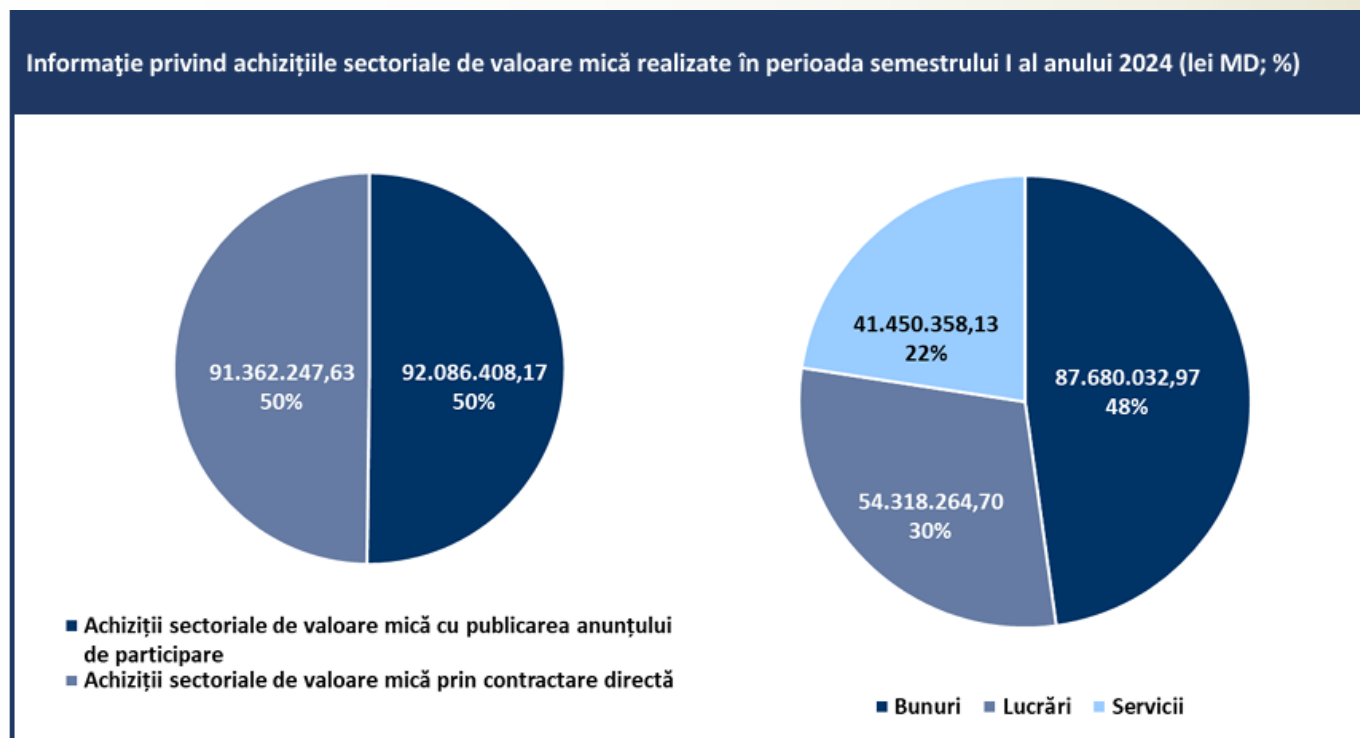
Also, in the period 01.01-30.06 of 2024, the contracting entities made sectorial purchases of small value with the publication of the notice of participation in the total amount of 92,086,408.17 lei:

Achiziții sectoriale de valoare mică cu publicarea anunțului de participare		
92.086.408,17 lei		
Bunuri •46.364.644,34 lei •50,35 %	Lucrări •34.919.623,07 lei •37,92 %	Servicii •10.802.140,76 lei •11,73 %

At the same time, the contracting entities made sector purchases of low value through direct contracting in the total amount of 91 362 247.63 lei:

Achiziții sectoriale de valoare mică prin contractare directă		
91.362.247,63 lei		
Bunuri •41.315.388,63 lei •45,22 %	Lucrări •19.398.641,63 lei •21,23 %	Servicii •30.648.217,37 lei •33,55 %

In total, during the first semester of 2024, the contracting entities made small-value sectoral purchases in the amount of 183,448,655.80 lei.



Source: [Public Procurement Agency](#)

13 MILLION LEI FOR SMART TRAFFIC LIGHTS AT THE ISMAIL STREET TRAFFIC JUNCTION



» **The General Directorate of Urban Mobility (DGMU) and, implicitly, the City Hall of mun. Chisinau, have set out to solve the problem of the road junction on Ismail Street, without conducting public consultations or feasibility studies. Instead of finding solutions to improve traffic flow, the authorities want to install intelligent traffic lights.**

Over the years, the Ismail road junction has been a challenge for drivers. Due to the

high flow of cars and the complexity of the intersections, traffic jams are always created at all hours of the day. For more than 20 years, solutions have been sought to improve traffic flow in the area. According to experts, one solution would be the construction of a grade separated junction ([noi.md](#)). A few years ago, there was talk about a pre-feasibility study for the reconstruction of the Ismail - Calea Moșilor and Calea Basarabiei - Vadul lui Voda road junction, which was to be updated by 2018, so that the project would be financed and implemented in 2019 - 2020 ([ROAD TRAFFIC FLUIDIFICATION IN THE MUNICIPALITY OF CHISINĂU, PLANNED ACTIONS](#)). No solutions for this problem are present in the [Chisinau 2030 Sustainable Urban Mobility Plan](#).

More recently, the solution adopted by the municipal authorities for the Ismail Street traffic junction is the installation of smart traffic lights at roundabout intersections. On July 1, 2024, DGMU concluded the contract for the procurement of design and construction works for the traffic light objectives at the road junction on Ismail Street, mun. Chisinau, with the company „NetSistem” SRL, as a result of the tender procedure no. [ocds-b3wdp1-MD-1716977844170](#). The amount of the contract is 13,618,343.65 lei (~756,500 USD) with VAT.

According to the tender notice, the subject of the tender was made up of a single lot, which contained:

- 1 Design of traffic light objectives** at the road junction Ismail street - Calea Moșilor street - Calea Basarabiei street - Varnița street - Uzinelor street - Vadul lui Voda street - Tudor Vladimirescu street, mun. Chisinau - estimated value of 1,634,450 lei (~90,800 USD), excluding VAT;
- 2 Construction of traffic lights** at the road junction Ismail Street - Calea Moșilor Street - Calea Basarabiei Street - Varnița Street - Uzinelor Street - Vadul lui Voda Street - Tudor Vladimirescu Street, mun. Chisinau - estimated value of 10,020,300 (~556,500 USD) lei, excluding VAT.

The contracting authority has left it to the economic operator to design, obtain the necessary permits and authorizations to complete the project. The works envisaged are as follows:

- 1 Construction of the traffic light** at the intersection of T. Vladimirescu - Vadul

lui Voda - Uzinelor - Ismail Streets, mun. Chisinau

- 2 Construction of traffic lights** at the intersection of Ismail - Varnita - Calea Basarabiei Streets
- 3 Construction of the traffic light object** at the intersection of Calea Moșilor - Ismail, mun. Chisinau
- 4 Construction of the traffic light object** at the intersection of Varnița Street - Calea Basarabiei, mun. Chisinau
- 5 Construction of the "North Station" pedestrian crossing**
- 6 Construction of the traffic light object** „Pedestrian crossing „Vismos”, mun. Chisinau
- 7 Construction of the traffic light object** "Pedestrian crossing SAC "Lukoil", mun.Chisinau

The stated period of execution of the contract was 6 months from the time the contract was recorded. As it was recorded on July 1, 2024, the period of performance expires at the end of December.

On August 1, 2024, the urban planning certificate was issued with no. CU-0003563 with the destination "Construction of traffic light objectives located on the road junction Ismail-Calea Moșilor - Calea Basarabiei - Varnița - Uzinelor - Vadul lui Voda - Tudor Vladimirescu" (info [here](#)). The planning certificate was provided to us upon request by the General Directorate of Architecture, Urbanism and Spatial Planning of mun. Chisinau. In the attachments, we also see the site plan of the objective.

Continue analysis on [revizia.md](#)

STUDENTS STUDYING VITICULTURE IN STĂUCENI WERE TO RECEIVE A NEW TRACTOR FOR PRACTICAL LESSONS, BUT THE PURCHASE FAILED DUE TO ERRORS TOLERATED BY THE WORKING GROUP

» The purchase of a tractor for the practical lessons of students learning viticulture at Stăuceni was compromised due to major errors admitted by the working group when organizing the public tender.

Initially, the working group established tender evaluation factors which the experts considered inaccurate and open to interpretation, and then "turned a blind eye" to several inconsistencies between the technical parameters of the tractor in the winning tender and those in the specifications. As a result, it was decided to purchase a tractor with different functionality from what the institution was originally looking for. Due to the numerous differences between the technical parameters requested and those proposed by the economic agent, as well as other irregularities detected, the purchase was canceled, which means that the educational institution has to start the academic year without the tractor needed for practical work.

On May 7, 2024 the Stăuceni Center of Excellence in Viticulture and Winemaking (CEVVC) published [the advertisement](#) for the purchase of a tractor with machinery, the estimated value of which was 1,108,333 lei (~61,500 USD) excluding VAT. The specifications drawn up contained very precise technical specifications, without much margin for choice. For example: weight of the tractor - 5200/5500 kg, length - 4450/4475 mm, width - 2090-2490 mm, ground clearance - 500/520 mm, maximum height - 2850/2900 mm, front wheel dimensions - 340/85 R24, rear wheel dimensions 460/85



R34. The award criterion for the contract was "best value for money".

Two tenderers submitted their tenders economic operators - "Agropiese TGR Grup" SRL and "Agrotrac Prim" SRL, which proposed tractors at the price of 1.05 million lei and 1.322 million lei with VAT.

On 28 May 2024 the working group chose as winner the company "Agropiese TGR TGR Grup", although dimensions and some technical specifications of the proposed tractor and machinery were other than those those required by the specifications.

In the contract award decision, the the working group noted a total of 16 deviations from the parameters required technical parameters, but for all of them it judged as "advantage" or "insignificant difference", not affecting quality".

Full investigation on moldovacurată.md

SUSPICIOUS PURCHASES: HOW DETS CENTER DIVIDES MILLIONS AMONG CHOSEN FIRMS

» In a period of five months, the Directorate of Education, Youth and Sport Center (DETS Centru) distributed about 7.5 million lei (~415,500 USD) among 9 companies in a non-transparent way. Our investigation reveals how public procurement was divided and awarded in a discretionary manner, raising serious suspicions of corruption and inefficient management of public funds.

we found that this contracting authority reported the realization in the mentioned period of [218 low value procurement contracts with a total value of 17.01 million lei \(~ 945,000 USD\) \(including VAT\)](#).

The considerable number of low-value procurement procedures carried out raises reasonable suspicions about the efficiency of the planning and management of public funds, as well as suspicions of corruption in the process of public procurement.

DISTRIBUTION OF CONTRACTS AND FAVORED BENEFICIARIES

A detailed examination of the procedures reported by DETS Centru for the period July - December 2023 revealed that approximately 44% of the total amount of 17.01 million lei (~945,000 USD) was distributed through direct contracts to 9 economic operators. Each of these economic operators was contracted by DETS Centru between 3 and 8 times, totaling 43 low-value contracts. The total value of goods, works and services contracted from these economic operators amounted to 7.58 million lei (~415,500 USD).

The main beneficiaries of these small value contracts are:

Nr.	The company	Number of contracts	Value, lei, including VAT
1	Trust New SRL	8	1186273
2	Lis Company SRL	6	1115880
3	Ritm Cons SRL	6	1032120
4	Construct Tador SRL	4	917119
5	Set Servicii SRL	5	817942
6	Lisever Group SRL	3	717969
7	Gorodenco Cons SRL	3	618500
8	Pro Blizko Cons SRL	3	598500
9	Scorpan și Co SRL	5	580810
	Total	43	7585113

Full monitoring on parinte.md



Achiziții suspecte:
cum DETS Centru
împarte milioane
între firmele alese

NEW RULES FOR LOW-VALUE PURCHASES

As of July 1, 2023, the Regulation on Small Value Purchases, approved by Government Decision No 870/2022, entered into force. This regulation makes it mandatory to publish or report low-value purchases in the MTender system. It also introduces new types of purchases - direct purchases - and increases the thresholds for low-value purchases, including those made on the basis of a tax invoice.

ANALYSIS OF PURCHASES MADE BY DETS CENTER

As a result of analyzing the data available in the MTender system on low value purchases made in the period July - December 2023 by the Directorate of Education, Youth and Sport Center,

ANTI-CORRUPTION EXPERTS FIND SHORTCOMINGS IN THE PUBLIC PROCUREMENT PROCESS AND CALL ON LOCAL PUBLIC AUTHORITIES TO FIX THEM

» Tier Local Public Authorities have shortcomings in the process of procurement planning, elaboration of annual procurement plans and their publication on the institutions' websites. Irregularities are also attested in terms of respecting the deadlines for submission of tenders, compliance with the legal requirements for the evaluation of tenders, the appointment of winners and the award of contracts.

At the same time, shortcomings are also identified in the area of monitoring the execution of procurement contracts, informing the public about their conclusion and implementation. These are just some of the findings contained in the monitoring report prepared by the Independent Press Association (API) and presented at a public event held on September 10, 2024.

At the beginning of the round table, anti-corruption expert Mariana Kalughin, the author of the report, presented [the results of the monitoring of public procurement procedures](#) carried out under the European Village/European Express Village Program in the period 2023-2024. She noted that 65 procurement procedures/contracting authorities from 32 districts of the country and mun. Chisinau, their total value amounted to over 126 million lei (~7 million USD). "For 10 procedures, 14 complaints were filed, of which one was withdrawn, seven were rejected as unfounded, and six were admitted with remedial measures ordered. I will also mention that only 19 out of 65 contracting authorities have a website, and of these only 6 have published their annual procurement plans," the expert said. She added: "In 31 procurements, apparently abnormally low



bids won, where contracts were concluded with economic operators who proposed bids below 85% of the value of the works calculated by the contracting authorities".

This last indicator is an additional warning to state institutions that things are not going well and that certain measures are needed, but also a concern for NGOs monitoring procurement processes. "In reality there are not many such cases, but in this monitoring the situation is different. It is a warning for us, a red flag, that something is wrong. There can be several explanations. Intentionally or unintentionally, the contracting authority may underestimate the value of the purchase, which does not correspond to the real price. It is therefore normal for the economic operator to come up with an abnormally low bid. But there may also be an intention on the part of the contracting authority to favor a particular economic operator. The abnormally low offer must be justified, otherwise it is a violation and will be contested," said Diana Ranga, economist at IDIS Viitorul. She also said that currently the stage of execution and monitoring of procurement is the most difficult, because it is not known when and at what amount the contract was executed, taking into account the value initially awarded and additional agreements, which can increase the value of the contract, and some economic operators in bad faith may abuse them.

The report can be accessed on api.md

THE COST OF RECONSTRUCTING THE "VALEA MORILOR" RESERVOIR HAS INCREASED YEAR AFTER YEAR DUE TO THE DELAY IN THE DEADLINE FOR THE EXECUTION OF WORKS

» Cleaning the bed of the river Bâc is a long-postponed promise made by the authorities on several occasions. In 2014, the former mayor of mun. Chisinau, Dorin Chirtoaca, started work to clean the bed of the Bâc river on a segment that was affected by flooding. Every year, budget adjustments and reallocations of public money are made, but the problem remains unresolved. Experts say it is because the authorities do not manage public money efficiently.

BÂC RIVERBED CLEAN-UP WORK COMPLETED IN 5 YEARS INSTEAD OF 22 MONTHS

In May 2023, the Chisinau City Council voted the 240 million lei (~13.3 million USD) Bâc River Rehabilitation Project, of which 80 million lei came from a European grant. At the time, the authorities announced that the Bâc riverbed would be cleaned and rehabilitated as part of a project financed by the European Bank for Reconstruction and Development. Chisinau City Hall said that it and the EBRD had signed a loan and a grant agreement totaling €12 million (~12.63 million USD). The money was earmarked for the implementation of the Bâc river rehabilitation and flood protection project in the capital.

"An extraordinary project for Chisinau. It's about natural solutions for the rehabilitation of the bed of the Bâc river and these solutions come first and foremost to improve and clean up the bed. It is a long-awaited project for all of us, with studies, in-depth analysis of the situation on the ground, with experts from home and abroad. It is a very important grant, amounting to 50% of the total amount of the loan, which is again on very advantageous terms for the Republic of Moldova and the Chisinau municipality," according to the mayor of the capital Ivan Ceban.

In July 2023, the procurement working group decided to decrease the contract value by

5,483,441 lei (~305,000 USD), on the grounds that some of the construction works were carried out by another economic operator during the reconstruction works on Albișoara Street.

BÂC'S RIVERBED, "FLOODED" WITH PROMISES

Cleaning the bed of the river Bâc is a "bearded" promise made by the authorities on several occasions. In 2014, the former mayor of mun. Chisinau, Dorin Chirtoaca, started the work of cleaning the bed of the Bâc River on a segment that was affected by flooding. Four years later, in 2018, the authorities concluded a contract worth 34.1 million lei (~1.9 million USD) and a 22-month execution term with the joint-stock company "FERARU-S", which for 22 months undertook to carry out works to clean the Bâc riverbed on the segment between Petru Rareș Street and the bridge on Cantonului Street. Two years later, not only were the works not finished, but it was found that the contractor still needed financial resources to complete them. Thus, in July 2020, an adjustment agreement was concluded for 1,370,030 lei (~76,000 USD) and for the extension of the contract's validity until December 31, 2023.

The full article can be read on moldovacurata.md

ALA REVENCO: INCREASINGLY LARGE AMOUNTS OF PUBLIC MONEY ARE BEING USED NON-COMPETITIVELY AND WITH VERY LITTLE TRANSPARENCY

««« [CONTINUED FROM PAGE 1](#)

The Director of "Parents in Solidarity" also mentioned, with reference to the Court of Accounts' report for the years 2020/2021, the risks that were then affecting the low-value purchases. The regulatory framework applicable to LVPs was found to be ambiguous and incomplete, facilitating non-transparent and inefficient use of public money. Also, it was not possible to monitor public procurement as a whole because some of the authorities did not even report LVPs to the Public Procurement Agency, and the transparency of spending public money through such procedures was not ensured. The lack of applicable sanctions for violations of the legislation on small-value public procurement created room for tolerance for abuses by contracting authorities, which continued to divide public procurement procedures in order to carry out as many small-value procurements as possible.

"Not much different from the current situation. Most of the risks listed by the Court of Auditors in 2021 are still current today. The fact is that a newly approved regulation has been approved has not cardinally changed the situation," says Ala Revenco, after the association analyzed the practices of organizing and reporting LVPs in the period from July 2023 to June 2024 by the six education directorates of the municipality.

Thus, one year after the adoption of the new regulation, the General Directorate of Education of mun. Chisinau reported 162 low-value public procurement procedures totaling about 14.7 million lei (~817,000 USD) were realized, of which 159 were done through payment invoices and direct contracts, which implies a low level of transparency and lack of competition. Only 3 procedures were published on MTender, for 760,000 lei (~42,200



Ala REVENCO,
executive director of A.O. "Parents in Solidarity"

USD). Cumulatively, the 6 education directorates (General Directorate, Centru, Botanica, Râșcani, Buiucani and Ciocana) reported that they carried out 1,437 public procurement procedures for a value of almost 79.76 million lei (~ 4.4 million USD) (the amount does not include VAT). Out of these, only 21 procedures (1.5%), amounting to almost 2.85 million lei (~158,300 USD), were carried out through MTender.

Analyzing the LVPs in the educational sector of the Chisinau municipality, A.O. "Parents in Solidarity" found they have been planned in a faulty manner, not being included in the annual procurement plans of the directorates. The planning deficiencies are also confirmed by the fragmentation of the procurement procedures, so that about 40% of them had a value of up to 5,000 thousand lei (~280 USD), and there were even purchases with a value of less than 10 lei (~0.56 USD). Other violations were found, such as the division of procurement procedures, non-reporting or incomplete reporting, favoritism and lack of transparency in awarding direct contracts, imperfections in the regulatory framework, and a lack of sanctions for violation of the legislation on low-value public procurement, among others.