

**“PHRD TECHNICAL ASSISTANCE FOR THE INTEGRATION OF CHILDREN WITH
DISABILITIES INTO MAINSTREAM SCHOOLS” PROJECT**

PHRD Grant No. TF014855

**IMPLEMENTED BY
MOLDOVA SOCIAL INVESTMENT FUND**

MANAGEMENT LETTER

**On the audit of
Project Special Purpose Financial Statements
for the period from 1 October 2014 to 31 December 2015**

**CHISINAU
March 2016**

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1. Project implementation delay

Observation

The PHRD Grant No. TF014855 was signed on 6 August 2013 with closing date set at 30 July 2016.

As at 31 December 2015 only 11% of the Project Budget is implemented.

Implication

Significant delays of implementation could risk effectiveness of the Project as well as damage reputation of the MISF among donors and other stakeholders.

Recommendation

Take required measures to improve the implementation of the Project as well as improve project implementation monitoring system at MSIF.

Management response

Though the grant was signed on Aug 2013 (Note 1.1.), it became effective only on Feb 2014. Then the management of MSIF was changed and the Project commenced in summer 2014. However, the reform in education sector took place and MSIF had to wait for the decision on the hub-schools that in future won't be closed and where the investment would be sustainable, as well as there was need to coordinate with WB's other multi-million project related to reconstruction of schools.

Currently, MSIF is in the process of development of the ToRs for technical drawings, after a technical evaluation which is commonly done with the Ministry of Education and the procurement of technical drawings shall start in the March 2016.

As the Project closing date is set at 30 July 2016, the MSIF requested WB to extend the project deadline with 18 months: until January 2018, with letter dated 22 Feb 2016.

2. Contract deadlines

Observation

During the reporting period, the consulting organization employed relating to the Project submitted final completion acts to the MSIF after the deadline set at the consulting contracts (including related amendments).

Implication

Breaching contract deadlines could result to delays in project implementation.

Recommendation

Improve internal control system over monitoring completion of consultants' services in accordance with contract terms.

Management response

The recommendation will be considered.

Recently, a model in the information system of the MSIF is developed that informs about contracts which closing date is in a month; which supports effective monitoring of the contract implementation timing.