

Annual Report

on the implementation of the Public finance management development strategy 2013-2020, approved by GD no. 573/2013 during 2020

(performed on the basis of the Annual Report on the implementation of the Action Plan of the Ministry of Finance for 2020)

<i>Nr. of actions planned for 2020</i>	<i>60</i>
<i>Nr. of accomplished actions</i>	<i>48</i>
<i>Nr. of actions in progress</i>	<i>9</i>
<i>Nr. of unfulfilled actions</i>	<i>3</i>
<i>Actions transferred to 2021</i>	<i>11</i>

N/o	Commitments from Strategy 2013-2020	Actions (planned in Action plan 2020)	Deadline	Responsible	Result indicators	Note on achievement
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
Component 1. The macro-budgetary framework						
Specific objective: To improve the quality of macroeconomic and tax forecasts to ensure that the budget is drawn up on the basis of a realistic and predictable macro-budgetary framework						
Basic principle 1: Macroeconomic forecasting and revenue planning						
I. Medium term targets						
1.	Creating a consolidated institutional and methodological framework for macroeconomic forecasting	Improving the budget planning methodology	IV Quarter (d\December)	BPSD together with the subdivisions of the MoF	Modified Methodological Instructions	<u>In progress</u> The amendments to the Methodological Instructions for MTBF and Budget preparation were made. However, the State Chancellery developed a new framework for elaboration and promotion of policy documents, and this framework needs to be incorporated in the Methodological Instructions. This new set of changes will be approved and published in 2021. <i>Note: Transferred to 2021</i>
2.	Development of modern tools (micro models) for impact assessment of the tax policy measures on revenue planning	Collection and elaborations of the necessary databases for performing of the impact analyses / economic micro-models	During the year, with quarterly reporting	BPSD	Formed databases	<u>Completed</u> Data was collected and the impact of tax measures included in the draft Law on Tax and Customs Policy for 2020 was assessed in relation to the adoption of the (i) Law no. 60/2020 on the Establishment of Measures to Support Entrepreneurial Activity; and (ii) Law no. 257/2020 on introducing amendments in some normative acts.
3.		Elaboration, updating, improvement of impact micro-economic models and	During the year, with	BPSD	Developed economic impact models; Elaborated studies	<u>Completed</u> Models were developed for the budgetary impact analysis, following the adoption of the support measures for the business

		elaboration of studies related to the tax and customs system	quarterly reporting			environment related to the interest subsidy program, the VAT refund program, as well as the salary payments subsidy program. Also, based on the collected data, economic impact models were developed related to tax and customs policy measures for 2021.
4.	Improving mechanisms and procedures for communication with donors in order to properly plan the input of external sources	Organizing Communication Forums with external partners to discuss the progress in the process of coordinating external assistance, as well as sectoral policies	During the year, with quarterly reporting	DEA	Number of meetings/workshops with external donors and/or line ministries	Completed In the context of the current epidemiological situation related to COVID-19, discussions with external development partners are taking place using the online platforms organized by the UN. During the reporting period, the MoF participated in 16 donor meetings and 4 meetings of the sectoral external assistance councils. MoF also organised a joint meeting with external development partners in the context of drafting the External Assistance Report for 2019. Also, MoF participated in the meeting with the World Bank related to the Portfolio Review and in the Mid-term review of the Swiss Cooperation Strategy for the Republic of Moldova for the 2018-2021 period.
Basic principle 2: Monitoring public sector debt and state guarantees						
I. Medium-term targets						
5.	Adjustment of the legal and methodological framework on state debt and public sector debt	Elaboration of the draft law on amending Law no. 419/2006 on public sector debt, state guarantees and state recrediting in order to improve the quality of data on public sector debt statistics of the Republic of Moldova	III Quarter (September)	PDD	Project developed and presented to the Government	In progress The draft of the Government's decision "On the approval of the draft law for amending some normative acts" (new version) was elaborated, announced during the meeting of the general secretaries on 20.08.2020 (unique no. 654/MF/2020). The draft is being currently finalised subject to the approval procedure, legal and anti-corruption expertise. <i>Note: Transferred to 2021.</i>
6.		Elaboration of the Government's decision draft for the adjustment of the Government Decree no. 1136/2007 regarding some measures for the execution of Law no. 419/2006 on public sector debt, state guarantees and on-lending, in order to improve the quality of data on public sector debt statistics of the Republic of Moldova	IV Quarter (December)	PDD	Project developed and presented to the Government	Unfulfilled The activity will be completed after the approval by the Parliament of the proposed amendments to the action in point 5. <i>Note: Transferred to 2021.</i>
7.	Strengthening the capacities of the Ministry of Finance and local	Cooperation with the STS and the State Treasury in order to intensify the measures required by the regulatory framework in	Quarterly, within 30 days of the end of	PDD together with the subdivisions of the MoF and the	Presented information on overdue debts	Completed In order to recover the overdue debts, the information on the overdue debts of the beneficiaries of on-lending loans through the MoF from external and internal sources, and of the

	public debt management authorities	order to recover to the state budget the overdue debts related to the granted loans	the reporting period	subordinated administrative authorities		guaranteed beneficiaries on 30.01.2020 (as of December 31, 2019) was presented to STS, on 30.04.2020 (as of 31 March 2020), on 29.07.2020 (as of 30 June 2020) and on 28.10.2020 (as of 30 September 2020).
8.		Submission of Prior Notifications/Warnings regarding the reimbursement of the overdue debts	During the year, if necessary	PDD	Number of notifications and warnings submitted	Completed 3 warnings were issued (SE "Calea Ferata din Moldova", Soroca District Council, Executive Committee of ATU Gagauzia) regarding the reimbursement of the overdue debts
9.		Preparation and signing of debt verification acts with the beneficiaries of the on-lending loans	Quarterly until the 25th of the second month of the management quarter	PDD	Verification acts with the on-lending loan beneficiaries who records signed arrears debts	Completed During the reporting period, 111 debt verification acts were signed with the on-lending beneficiaries.
10.		Analysis of the degree of the overdue debt reimbursement by the on-lending beneficiaries through the Ministry of Finance	Half-yearly, by the 30th of the second month of the management semester	PDD	Elaborated analytical notes	Completed 2 information notes were prepared (as of 31.12.2019 and 30.06.2020) through which the analysis of the degree of the overdue debt reimbursement of the on-lending beneficiaries through the Ministry of Finance was performed.
11.		Acquaintance of the responsible persons within the public authorities, public sector enterprises and ATU, about the truthful and timely reporting on the volume of public sector debt, at the regular meetings organized by the Ministry of Finance	During the year, with quarterly reporting	PDD	Number of trainings organized	Unfulfilled Due to the COVID-19 pandemic no working meetings were held with the ATU financed Directorates during the reporting period. <i>Note: Transferred to 2021.</i>

II. Long term objectives

12.	Ensuring a public sector debt management according to the good practices	Elaboration of the monthly statistical bulletin regarding the state debt	Monthly	PDD	The share of government debt maturing within one year in the total state debt - 15% - 25% (maximum); Share of domestic state debt in total state debt - 35% (minimum) - 50%;	Completed 12 monthly statistical bulletins on the state debt were prepared. As of 31.12.2020, the risk parameters related to the government debt established in the Program "Medium-term government debt management (2020-2022)" recorded the following values: - the share of government debt due within one year in the total state debt - 25.3%; - the share of domestic state debt in the total state debt - 43.1%; - the share of state debt in a certain foreign currency in the total state debt - 33.1%; - the share of state debt with variable interest rate in the total state debt - 36.9%;
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				<p>The share of state debt in a certain foreign currency in total state debt - 20% - 40% (maximum);</p> <p>Share of government debt with variable interest rate in total government debt - 25% - 40% (maximum);</p> <p>Share of GS issued on the primary market due within one year in total government debt - 70% - 85% (maximum);</p> <p>ATMs for GS issued on the primary market (years) - 1.2 (minimum) - 2.0.</p>	<p>- share of GS issued on the primary market due within one year in total SS issued on the primary market - 88.4%;</p> <p>- ATMs for GS issued on the primary market - 0.8 years.</p> <p>Thus, at the end of December 2020, all parameters were within the limits set in the Program "Medium-term government debt management (2020-2022)", except for the indicator of the share of government debt due within 1 year in total debt state. This was by 0.3 pp more compared to the maximum approved value and GS issued on the primary market due within a year in the total GS issued on the primary market, being by 3.4 pp more compared to the maximum value approved under the Program. This is due to investor demand for predominantly short-term GS and the issuance of higher volumes of predominantly short-term GS.</p>
13.	Elaboration of the report on the situation in the field of public sector debt, state guarantees and state on-lending.	70 days from the end of the management quarter and 90 days from the end of the management year	PDD	4 Reports on the situation in the field of public sector debt, state guarantees and state on-lending prepared and presented to the Government and Parliament	Completed 4 reports were prepared on the situation in the field of public sector debt, state guarantees and state on-lending for the situation at the end of 2019, the end of the first quarter of 2020, the end of the first semester of 2020 and for nine months of the year 2020. These reports were presented for information to the Government and the Parliament, as well as published on the website of the Ministry of Finance.
14.	Development of the internal market of government securities by further expanding their maturity and diversifying the investor base	Strengthen the communication with primary dealers	During the year, with quarterly reporting	PDD Number of meetings organised	Completed On 13.03.2020, a meeting was organised with the primary dealers, during which the activity on the GS market in 2019, as well as the forecasts for 2020 regarding the financing of the budget deficit from the GS issue were discussed. Due to the epidemiological situation, the rest of the meetings with the primary dealers were organised by e-mail correspondence.

15.		Monitoring and evaluating the performance of primary dealers	During the year, with quarterly reporting	PDD	Number of evaluations performed	Completed During 2020, 1 annual evaluation (2019) and 4 quarterly evaluations (quarter IV of 2019, quarters I, II and III of 2020) of the performance of primary dealers were performed.
16.		Expanding the maturity of the domestic government debt portfolio	During the year, with half-yearly reporting	PDD	Issuances of GS with a term of more than 5 years	In progress Related to the GS issue with a term of more than 5 years, the opinion of the primary dealers regarding their availability and their customers to invest in such financial instruments was consulted by e-mail. Following the consultation with primary dealers and private investors, the decision was taken to issue in 2021 GS with a maturity of 7 years at a fixed rate. Also, on the web page of the Ministry of Finance (https://mf.gov.md/ro/content/ministerul-finantelor-intencioneaza-sa-diversifice-portofoliul-de-datorie) a communiqué regarding the intention to diversify the debt portfolio, with the request to send, by e-mail, the proposals from the potential investors was published.

Component 2. Budget preparation and planning

Specific objective: Elaboration of the national public budget in accordance with the national legal framework, ensuring the allocation of public financial resources in close correlation with policy priorities, expenditure limits set in the MTBF, as well as increasing the efficiency and transparency of the budget preparation process by implementing budgeting based on performance

Basic principle 2: Transparency and comprehensiveness

I. Medium-term targets

17.	Publication on the web pages by the central public authorities of the medium-term sectoral strategies / programs, of the annual budgets, as well as of the reports on the fields of competence	Publication on the web page of the ministry of the draft budget laws	during the year	BPSD together with CITF	Relevant information accessible and constantly updated	Completed During 2020, 3 draft laws and 4 adopted laws were published on the MoF website: https://mf.gov.md/ro/content/bugetul-de-stat-2020
18.		Publication on the web page of the ministry of the MTBF (2021-2023) document	Within 5 working days from the publication in the Official Gazette	BPSD together with CITF	Relevant information accessible	Completed MTBF (2021-2023) has been published on the ministry's website and can be accessed at the following link: https://mf.gov.md/ro/buget/cadrul-bugetar-pe-termen-mediu
19.		Publication on the official page of the information regarding the planning and execution of the budgets and the Procurement Plan for 2019	During the year, with quarterly reporting	MoF together with STS, CS, APP, FI	Published information	Completed The Ministry of Finance Information on the budget planned for 2020, as well as the Budget Execution Report, including the Performance Report, of the MoF for 2019 can be accessed at: https://mf.gov.md/ro/ministerul-finantelor/bugetul-ministerului The procurement plan of the Ministry of Finance for 2020 was developed, approved and published at: http://mf.gov.md/ro/ministerul-finantelor/achizitia-publice

					<p><u>State Tax Service</u> On 30.12.2019, the STS budget for 2020 was approved. Reports on the implementation of the STS budget have been published on the official website of the STS: - for 2019, http://www.fisc.md/Upload/LinkedPDF/%D0%9A%D0%BE%D0%BF%D0%B8%D1%8F%20Raport%20buget%20tr.IV%202019.pdf - for the first quarter of 2020, https://www.sfs.md/Upload/LinkedPDF/Raport%20buget%2020tr.I%202020%20(1).pdf - for the first semester of 2020 https://www.sfs.md/Upload/LinkedPDF/Raport%20buget%2020tr.II%202020.pdf - for the third quarter of 2020 http://www.sfs.md/Upload/LinkedPDF/Raport%20buget%2020tr.III%202020%20(1).pdf The procurement plan for goods / services and works according to the needs of the STS for 2020 was approved on 02.01.2020 and was published on the official website of the STS (https://www.sfs.md/Rapoarte.aspx?file=13598)</p> <p><u>Customs Service</u> CS's procurement plan for 2020 was published on the official website at https://customs.gov.md/sites/customs.gov.md/files/planul_de_ac_hizitii_2020.pdf. The information regarding the planning and execution of the CS budget for 2019 was published at: https://customs.gov.md/ro/content/bugetul-sv The procurement plan for information and communication technologies for 2020 has been published at: https://customs.gov.md/api/media/27/11/2020/Plan_TIC_anul_2020.pdf</p> <p><u>Financial Inspection</u> Information on the budget planned for 2020, as well as the Report on the execution of the budget of the Financial Inspection for 2020 can be accessed at: https://if.gov.md/content/informatii-privind-activitatea-inspectiei-financiare The Procurement Plan of the Financial Inspection for 2020 and the Report on monitoring the execution of the Procurement Plan can be accessed at: https://if.gov.md/content/achizitii-publice</p> <p><u>Public Procurement Agency</u></p>
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II. Long-term targets						
20.	Achieving a high level of budget presentation and reporting of budget information	Revision of the forms for the estimation and aggregation of the data on staff expenses under the conditions of Law no. 270/2018	I trimester	BPSD	Elaborated forms	<p>Completed With the support of I.P. CITF, BPSD has developed the form for the calculation of the monthly salary fund under the conditions of current year - 2020. The mentioned circular (no. 08-06-40 of 10.02.2020), with the completion instruction is placed on the official website of the Ministry of Finance at: http://mf.gov.md/sites/default/files/Circulara%20pentru%20colectarea%20datelor%20salariale%20pentru%20anul%202020.pdf.</p>
21.		Estimation of staff expenses taking into account the volume of established staff expenses level	during the year	BPSD	The share of personnel expenses in relation to the set target	<p>Completed The volume of staff expenses provided in the national public budget for 2020 is 17,043 million lei, within the established limit of 17,489 million lei.</p>
22.	Awareness of the large public with clear, not complicated and systematic information on the budget, using web pages and the e-Government portal, as well as the citizen's budget and (specialized) publications	Elaboration of the budget for 2021, for citizens	IV Quarter (December)	BPSD together the subdivisions of the MoF	The budget for citizens developed and published on the website www.mf.gov.md	<p>Completed The Citizens' Budget for 2021 was prepared and published on the MoF website: https://mf.gov.md/sites/default/files/Bugetul%20cetatenilor%20pe%202021%20-%2003.02.21.pdf</p>
Basic principle 5: Public capital investment						
I. Medium-term targets						
23.	Extension for all capital investment projects of the provisions of the Regulation on public capital investment projects, approved by Government Decree no. 1029 of December 19, 2013.	Elaboration of the draft decision of the Government for the modification and completion of the Government Decree no. 1029/2013 "On public capital investments"	IV Quarter (november)	PID	Project developed and presented to the Government	<p>In progress The Government Decree no. 1029/2013 is currently being revised to enable its application for all capital investment projects. <i>Note: Transferred to 2021.</i></p>
24.		Elaboration of the draft decree regarding the modification of the Instruction regarding the	IV Quarter (December)	PID	Project developed and approved	<p>In progress See information in point 23.</p>

		management of capital investment projects, approved by the Decree of the minister of finance no. 185/2015				<i>Note: Transferred to 2021.</i>
Component 3. Budget execution, accounting and financial reporting						
<i>Specific objective: Improvement and modernization of the Treasury management, to ensure efficient control and adequate modernization at each stage of expenditure and to establish an adequate accounting and reporting system</i>						
<i>Basic principle 4: Accounting and financial reporting</i>						
II. Long-term targets						
25.	Use of the information system of accounting records in the budgetary authorities / institutions	Accounting Information System for Public Authorities (AISPA) adjustment in line with changes to the chart of accounts and budget classification	During the year, with quarterly reporting	STD together with CITF	Adjusted and functional system	Completed During the reporting period, 7 new versions of AISPA were developed and published. The main adjustments made are related to the: - amendments to the Chart of Accounts in the public sector, - changes in the reporting forms; - re-modelling the pricing report for employees; - change of the calculation method for the double day; - changes in the documents of calculating replacements and calculating the pay gap regarding the division of the employer's social security calculation, etc.
26.	Ensure the publication of consolidated financial statements for the central government	Preparation of the consolidated financial report for the central government	III Quarter	STD together with CITF	Report prepared and published on the website www.mf.gov.md	Completed The consolidated financial report for the central government as of 31.12.2019 was prepared and published at http://mf.gov.md/ro/trezorerie/rapoarte-privind-executarea-bugetului/rapoarte-anuale
Component 4. Financial management and internal control						
<i>Specific objective: Establish a system of financial management and internal control and internal audit in the public sector in accordance with the international practices, in order to ensure the efficient and transparent use of public funds</i>						
<i>Basic principle 1: Public Internal Financial Control</i>						
I. Medium-term targets						
27.	Strengthening the capacities of the budgetary authorities for the implementation of the internal managerial control system	Strengthening the capacities of managers for the implementation / development of the internal managerial control system in public entities	During the year, with quarterly reporting	DPIFC together with CITF	At least 3 training activities organized	Completed During the reporting period, 8 training seminars were held for managers, regarding the internal managerial control system, namely.
28.	Creating the conditions for outsourcing or sharing internal audit services for public entities	Elaboration of the draft Order on the exercise of the internal audit activity in the public sector by association and on the basis of a contract	IV Quarter (December)	DPIFC	Project developed and approved	Completed The draft MoF Order on internal audit activity by association in the public sector and the draft MoF Order on internal audit activity on a contract basis were approved.
29.	Identify and implement a modern system of training and continuous		During the year, with	DPICF	At least 3 training activities organized	Completed 6 training courses and 1 international conference were organised and conducted online for internal auditors.

	professional development of internal auditors.		quarterly reporting			In addition, given the disruptions caused by the epidemiological crisis, the document "Considerations for internal audit in response to the COVID-19 pandemic" was prepared and disseminated to internal auditors.
II. Long term objectives						
30.	Strong monitoring and evaluation mechanisms	Performing audit missions, with aspects of assessment of the environment control, performance and risk management, control activities, including the description and review of basic processes (including financial processes), current information systems and internal and external communication	During the year, with quarterly reporting	IAS	4 internal audit reports prepared; At least 75% of recommendations approved and included in the action plan on the implementation of audit recommendations	Completed During the reporting period the following missions were carried out - 2 advisory audit mission; - 1 internal assurance audit mission; - 3 assurance audit mission; All 6-audit missions carried out were performed in compliance with national standards and methodology. As a result of the audit missions, 2 Note-reports were developed and approved.
31.	Efficient assessment and reporting internal control management system, as well of the issue of of accountability management declaration	Self-assessment of the internal managerial control system within the Ministry of Finance	I Quarter (10 March)	The subdivisions of the ministry and subordinate administrative authorities in commun with the IAS and DPIFC	Report	Completed The consolidated report on internal managerial control for 2019 was developed and approved.
32.		Reporting the internal managerial control system and issue of the declaration of managerial responsibility within the Ministry of Finance	I Quarter (10 March)	DIM	Declaration issued and published	Completed The declaration of managerial responsibility was signed by the Minister of Finance on 01.03.2019 and published on website: http://mf.gov.md/sites/default/files/documente%20relevante/Declaratia%20de%20raspundere%20manageriala.pdf
Basic principle 2: Financial inspection						
I. Medium term targets						
33.	Description of the role and responsibilities of the Financial Inspection according to the recommendations of development partners and good practices	Determining the role and responsibilities of the Financial Inspection	IV Quarter (december)	FI	Design performed and presented to the Government	Completed The draft Government Decree for the approval of the draft Law on Financial Inspection was submitted to the Government for examination and approval, by letter no. 04-03 / 1157/1572 of 18.12.2020.
34.	Improving external communication in order to ensure the	Cooperation with the law enforcement bodies, in order to ensure the finality of the results of the inspections carried out,	During the year, with quarterly reporting	FI	Number of materials sent to legal authorities for examination;	Completed 170 inspection materials were sent to the legal authorities for examination. The total estimated amount of the detected abuses is 413.4 million lei.

	accountability of responsible persons	complete compensation of the damage caused and prosecution of the responsible persons			% of damage recovered	The damage restored during the inspections performed during the reference period is 7.8%.
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Component 5. Revenue management.

Specific objective: Ensuring an appropriate level of budget revenue collection, by implementing modern, fair and coherent tax and customs administration measures.

Basic principle 1: Tax administration

I. Medium-term targets

35.	Description and constantly review of the processes within the State Tax Service, including those related to taxpayers	Improvement of the business processes within the State Tax Service (SFS) in order to optimize the tax administration procedures of economic agents	During the year, with quarterly reporting	STS	Catalog of updated business processes, 100% approved processes from those needed to be adjusted / Processes adjusted to needs / Optimized procedures	Completed During the reporting period, 48 business processes were described / updated.
36.	Elaboration and implementation of annual tax compliance programs	Implementation of the Annual Taxpayer Compliance Program for 2020	During the year, with quarterly reporting	STS	4 reports published on the State Tax Service (STS) website; The % of taxes and fees calculated at one leu sales following compliance actions increased by 25% compared to December 31, 2019	Completed During the reporting period, 4 reports on the results of the taxpayers monitoring through the Compliance Program of the taxpayers' were published on the STS website: - for 2019. (https://www.sfs.md/rezultatele_monitorizarii_contribuabililor.a.spx?file=13386). According to the report, the % of taxes and fees calculated at one lei of sales because of compliance actions increased by 27% compared to 2018. - for the first quarter of 2020, (https://www.sfs.md/rezultatele_monitorizarii_contribuabililor.a.spx?file=13525). According to the report, the % of taxes and fees calculated at one lei of sales because of compliance actions increased by 25% compared to the same period of 2019. - for the first semester of 2020, (https://www.sfs.md/rezultatele_monitorizarii_contribuabililor.a.spx?file=13674). According to the report, the % of taxes and fees calculated at one lei of sales because of compliance actions increased by 26% compared to the same period of 2019. -for the third quarter of 2020 (https://www.sfs.md/rezultatele_monitorizarii_contribuabililor.a.spx?file=13944). According to the report, the % of taxes and fees calculated at one lei of sales because of compliance actions increased by 29% compared to the same period of 2019.

37.		Elaboration of the Operational Manual of Taxpayers Service	I st Quarter	STS	Manual developed and approved	Completed The operational manual for serving taxpayers was approved by the STS Order no. 40 from 27.01.2020
I. Long-term objectives						
38.	Streamline the procedures for calculating, reporting and paying tax duties	Implementation of the IAS "Extinguishment of the tax obligation by the tax collectors within SCITL" (stage II)	I Quarter (March)	STS CITF	System developed and launched in industrial operation	Completed IAS, "Extinguishing the tax obligation by the tax collectors within SCITL - version 2.0" was launched in industrial operation on 28.02.2020, (STS Order no. 130 of 27.02.2020).
39.		Development of the information system "Electronic Sales Monitoring", in order to increase the efficiency of tax administration (stage I)	III Quarter (July)	STS CITF	Information system developed	Completed The technical task of the IAS "Electronic monitoring of sales" I st stage was approved by Government Decree no. 55/2020. The system's functionalities have been fully developed.
40.		Development of the information system "Creation and circulation of electronic documents between the State Tax Service and financial institutions", which would allow the connection of implementation of legal procedures in order to facilitate the execution of their decisions by banks	IV Quarter (December)	STS CITF	Information system developed	Completed The Action Plan regarding the implementation of the automated information system "Creation and circulation of electronic documents between the State Tax Service, banks and payment service providers 2.0" was approved by the Order of STS no.520 of 07.10.2020. So far, the template for modifying / closing the bank account, ensured its testing by the representatives of State Tax Service, as well as by the financial institutions has been developed and placed on the production environment.
41.	Increasing up to 70% of the % of electronic declarations in the total tax submitted reports	Increasing the % of electronic declarations submitted by economic agents in the total of the submitted declarations.	During the year, with quarterly reporting	STS	70% of tax declarations were submitted online	Completed During 2020, economic agents submitted 1,713,939 declarations in electronic format, which is 89.2% of the total number of declarations submitted (1,921,200).

42.	Increasing the level of taxpayers' satisfaction with reference to the services provided by the State Tax Service.	Implementing the system for assessing taxpayers' satisfaction with the services provided by the State Tax Service	IV Quarter	STS CTIF	Evaluation system implemented	Completed The system for assessing taxpayers' satisfaction with the services provided by the State Tax Service was developed and put into operation in December 2020
Basic principle 2: Customs administration						
I. Long term targets						
43.	Harmonization of national customs legislation with the legislation of the EU by approval the new Customs Code and revising normative acts	Completion of the draft Customs Code (in new version)	I Quarter (15 th March)	TCPD	Design/project developed and presented to the Government	Completed The draft law on the Customs Code was approved by the Government Decree no. 484/2020 passed the first reading in the Parliament in 16.07.2020. Currently, it is submitted for examination to the Parliamentary Committees for approval in the final reading.
44.	To implement simplified electronic customs procedures in line with EU rules. To simplify customs procedures in order to reduce customs costs and time.	Development of the "Authorized Economic Agent" (AEO) program and the mechanism for mutual recognition of AEO status, with EU countries.	During the year, with quarterly reporting	CS	Degree of implementation of the Roadmap on the AEO recognition mechanism between the EU and the Republic of Moldova	In progress In April 2020, the Administrators of the Customs Subcommittee of the Republic of Moldova and the EU approved the Roadmap on mutual recognition of AEO in the Republic of Moldova and the EU. <i>Note: Transferred to 2021</i>
45.		Extending the number of companies benefiting from the simplified "Approved Exporter" origin certification procedures.	IV Quarter (December)	CS	Number of companies holding the status of "Approved Exporter"	Completed During the reporting period, 8 certificates of approved exporter were issued. Currently, 43 companies have the status of "Approved Exporter".
46.		Increasing the number of beneficiaries of the simplified customs clearance procedure at home-based (PVD)	IV Quarter (December)	CS	Number of authorizations approved, suspended, canceled, withdrawn. Increased % of customs declarations completed by the beneficiaries of the simplified procedure	Completed At the end of the reporting period: – 7 PVD Authorizations were approved, a total of 88 holders holding PVD Authorizations; – 1 application/request for PVD is under examination; – 7,611 customs declarations were submitted under the PVD procedure, or about 1.5% of the total 522,774 customs declarations submitted (compared to 1.4% in 2019); – PVD Authorizations was suspended, canceled, withdrawn.
47.	Development of a risk management system that incorporates the selectivity of customs controls in accordance with EU rules	Application of modern customs risk analysis tools; intensifying measures to prevent and combat smuggling	IV Quarter (December)	CS	% of import / export customs declarations in the red, yellow and green customs corridor, Number of international and national operations involving Custom	Completed During the reporting period the % of import customs declarations constituted: – on the red corridor - 4.7%; – on the yellow corridor - 18.6%; – on the green corridor - 76.6%. the % of customs export declarations constituted: – on the red corridor - 1.8%;

					Service (SV), Number of active / created / modified / canceled / evaluated criteria;	– on the yellow corridor - 3.7%; – on the green corridor - 94.5%. The customs officials participated in 16 international events.
48.	Improving access to information for businesses	Ensuring transparency in the area of customs administration by providing relevant, comprehensive and current information to the target audience and the entire society	During the year, with quarterly reporting	CS	3 meetings of the Advisory Committee held, 100% draft normative acts affecting the activity of economic agents consulted with RIA, 100% normative acts published in the Official Gazette, The number and type of information sited on the web page	Completed During the reporting period : - 5 meetings of the Advisory Council took place (2 - within the central apparatus of the Customs Service, 2 - within the North BV.
49.		Ensuring the activity of the Advisory Committee of the Customs Service and active participation in the activity of the National Council for Trade Facilitation	IV Quarter (December)	CS	3 meetings held	Completed During the reporting period, 5 meetings of the Advisory Council were organised (2 - within the central apparatus of the Customs Service, 2 - within the North Customs Office, 1 - within the South Customs Office).
II. Long term objectives						
50.	Development of quality standards for customs services	Ensuring the development of the certification mission according to the new standard in the field of quality ISO 9001: 2015	III Quarter (July)	CS	Surveillance mission carried out; Reconfirmed certificates	Not completed The audit mission for recertification by the Romanian certification body was rescheduled for 2021, due to the COVID- 19 pandemic. <i>Note: Transferred to 2021</i>
51.		Adjustment of the quality management system documentation and transposition of ISO 9001: 2015	IV Quarter (December)	CS	Revised manual SMC	Completed – adjustments to the Quality Management System Documentation were made and approved, according to the requirements of ISO 9001: 2015; – a new procedure was described and approved (Video monitoring).
52.	Modernization of the infrastructure and logistics of customs offices and posts	Identification, negotiation and implementation of technical assistance projects for strengthening the institutional capacities of the Customs Service	IV Quarter (December)	CS	Number of projects implemented; Degree of implementation of projects;	In progress Nowadays, 6 technical assistance projects are underway. During the reporting period, activities were carried out on the following projects: 1) Operational program Romania - Republic of Moldova 2014- 2020 assisted by the EU, aiming

						<p>2) USAID Structural Reform Program. Based on the Joint Business Plan with USAID</p> <p>3) The "EU 4 Border Security" project.</p> <p>4) The project "Strengthening integrated border management along the Moldovan-Ukrainian border". .</p> <p>5) The technical assistance project regarding the modernization of the "ASYCUDA World" Operational System.</p> <p>6) Pre-arrival (PAP) and pre-departure (PDP) express postal processing module.</p> <p><i>Note: Transferred to 2021</i></p>
53.	Development and modernization of customs information systems: "ASYCUDA World" integrated customs information system and "Frontiera/Border" information system	Modernization of the integrated customs information system "ASYCUDA World"	II Quarter (May)	CS	Modernised and functional information system	<p>Completed</p> <p>The Customs Service has completed the implementation of the Technical Assistance Project regarding the modernisation of the "ASYCUDA World" Information System. Thus, in August 2020, the new version of SI "ASYCUDA World" was launched and became functional.</p>
54.	Implementation of the new computerized transit system "NCTS" (New Computerized Transit System)	Implementation of the Computerized Transit System developed (NCTS)	VI Quarter (December)	TCPD CS	Elaborated project	<p>In progress</p> <p>Following the recommendations made by DG TAXUD to the Customs Service, <i>the Decision to implement Phase 5 NCTS was adopted</i>. As a result, it was updated and coordinated with DG TAXUD, the Action Plan on the implementation of NCTS phase 5 in the Republic of Moldova, which were developed during the Twinning project (2017-2019), were decided to integrate NCTS phase 5 in SIIV ASYCUDA World, and the modernization was completed on 31 July 2020.</p> <p>NCTS was submitted for inclusion in the list of project priorities for the 2021 EU Annual Action Plan for the Republic of Moldova. At the same time, during the reporting period by the Customs Service were elaborated and approved:</p> <ul style="list-style-type: none"> – the draft law on the application of the transit system; – drafts of normative acts on guarantees, research procedure and technical rules on the application of the customs transit procedure. <p>These projects will be promoted for approval after the adoption by the Parliament of the new Customs Code.</p> <p><i>Note: Transferred to 2021</i></p>

Component 6. Public procurement

Specific objective: Establish a modern public procurement system in line with European Union standards

Basic principle 2: Use of competitive procurement methods

I. Medium-term targets

55.	Performing and implementing a solid system of training and continuous professional development of specialists in the field of public procurement	Elaboration of the National Training Program	During the year, with quarterly reporting	APP	Program approved and put in application	Completed The amended training program in the field of public procurement for September - December 2020 has been approved and is published at: https://tender.gov.md/sites/default/files/document/attachments/plan_de_instruire_modificat_sep20.semnat.pdf The program is implemented and the activities performed and reflected in sub-action 60.
56.		Strengthening the capacities of the responsible persons for performing public procurement procedures within the contracting authorities	During the year, with quarterly reporting	APP	Number of training activities organized, Number of people trained	Completed During the reporting period, the APP organized 30 training seminars for contracting authorities, attended by 1158 people.

II. Long-term goals

57.	Implementation of the new electronic public procurement system	Modernising the public procurement process by developing the electronic public procurement system (e-Procurement)	IV Quarter (December)	DPA APP CITF	The e-Procurement system in the process of modernization	In progress The Automated Information System of the State Register of Public Procurement (AISSRPP) system was offered by the EBRD and received by the MoF on 16.12.2020. The "Center for Information Technology in Finance" ensures the maintenance for the stable and sound operation of the system. At the same time, the development process of AISSRPP (MTender) continues, including funding within the European Union Technical Assistance Project on the analysis and development of the electronic procurement system in the Republic of Moldova. The transparency of the public procurement process in the electronic public procurement information system (MTerder) is realised by using the Open Procurement Data Standard (OPDS), at each stage of the procurement process. All data managed through the system is monitored and open for users. <i>Note: Transferred to 2021</i>
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Component 7. Public Finance Management Information System

Specific objective: To establish a modern and efficient management tool to support users in the budgetary process and to provide a wide range of financial and non-financial information needed for decision-making.

Basic principle 2: Implementation and development of the Public Finance Management Information System

I. Medium-term targets

58.	Determining the training and training needs of the staff of the Ministry of Finance, budgetary authorities / institutions and public institutions that are assisted through	Organizing trainings for budgetary authorities / institutions and public institutions that are served by the single treasury account in the area of Public Finance	During the year, with quarterly reporting	CITF jointly with the subdivisions of the MoF	Number of trainings organized; Number of people trained	Completed – Total of 69 training courses were delivered with 1213 participants. – 3 sets of training materials for courses / seminars were developed (curriculum, PowerPoint presentations, case studies, evaluation tests of participants, satisfaction questionnaire).
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	the single treasury account in the area of Public Finance Management Information System	Management Information System, as well as AISPA				- 2 sets of training materials were reviewed / updated (supplementing the courses with didactic plans).
59.	Increasing the number of budgetary authorities / institutions that keep accounting records in the Information System concerning accounting records for budgetary authorities / institutions	Increasing the number of budgetary authorities / institutions that keep the accounting records in AISPA	During the year, with quarterly reporting	CTIF	Number of authorities / institutions keeping records based on AISPABI increased by 10%	<u>Completed</u> During the reporting period, the AISPA based on Platform 1C was implemented and maintained in the 1028 public authorities / budgetary institutions and public institutions.
II. Long term objectives						
60.	Improvement and continuous development of the Public Finance Management Information System	Maintaining the existing FMIS information system functional, extending the functionalities to the users' needs, developing the FMIS	During the year, with quarterly reporting	CITF jointly with the subdivisions of the ministry	Functional system and adjusted to the needs of users	<u>Completed</u> During the reporting period the maintenance of the existing FMIS was ensured and the system errors received from users through letters or telephone calls were eliminated;

List of abbreviations

APP – Agency of Public Procurement	IMF – International Monetary Fund
AEO - Authorised Economic Agent	IT – Information Technologies
AERG - Association for Efficient and Responsible Governance	JICA – Japan International Cooperation Agency
ATM – Average Term to Maturity	JVI – Joint Vienna Institute
ATU – Administrative Territorial Unit	LPA – Local Public Authority
AISSRPP – Automated Information System of the State Register of Public Procurement	MTBF – Medium Term Budget Framework
AISPA - Accounting Information System for Public Authorities	MoF –Ministry of Finance
BPSD – Budget Policy and Synthesis Directorate	NIJ – National Institute of Justice
CIS – Commonwealth of Independent States	NHIC –National Health Insurance Company
CITF – Centre for Information Technology in Finance	OM – Official Monitor
CPA – Consumer Protection Agency	PAMED – Policy Analysis, Monitoring and Evaluation Directorate
CSO – Civil Society Organizations	PIFC – Public Internal Financial Control
CS – Customs Service	PIFCD –Public Internal Financial Control Directorate
DEA – Directorate of External Assistance	PPD – Public Procurement Directorate
EBRD – European Bank of Development and Reconstruction	PDD – Public Debt Directorate
EC – European Commission	PID – Public Investment Directorate
FI – Financial Inspection	SPBD – Sectoral Budgetary Policy Directorate
EU – European Union	STS – State Tax Service
FMIS - Finance Management Information System	STD –State Treasury Directorate
GD – Government Decree	TCPD – Tax and Customs Policies Directorate
GS – Government Securities	USAID - United States Agency for International Development
HRD – Human Resources Division	VAT – Value Added Tax
IAS – Internal Audit Service	WPD – Wage Policy Directorate
IMD – Directorate of Institutional Management	