

**For the approval of the
Medium Term Budgetary Framework (2019-21)**

The Government DECIDES:

1. To approve the Medium-Term Budgetary Framework (2019-21) (Annexed).
2. The 2019-21 medium-term budgetary framework shall serve as support to the central specialized bodies of the public administration and other central administrative authorities in drafting the 2019 state budget, and to local public administration authorities in planning local budgets and local development programmes.
3. This Decision shall enter into force on the date of its publication.

Prime Minister

PAVEL FILIP

Countersigned by:

Minister of Finance

Octavian Armaşu

To the attention of:

Secretary General of Government

Lilia PALII

THE 2019-21 MEDIUM-TERM BUDGETARY FRAMEWORK

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I. OVERVIEW

A. Introduction

The 2019-21 Medium-Term Budgetary Framework (hereinafter – *2019-21 MTBF*) is the main document on which the drafting of the 2019 Annual Budget will be based. The MTBF development rests on the country's macroeconomic framework for the next years' budget planning, and is in line with the Government's strategic priorities.

The 2019-21 MTBF is an update of the 2018-2020 MTBF, approved by Government Decision no. 609 of July 28, 2017, and extends the forecasts and analysis to include 2021. The 2019-21 MTBF was developed in compliance with the target indicators of the macroeconomic framework agreed during the Third Assessment (March 15-27, 2018) of the Economic Reform Program supported through a three-year arrangement concluded with the International Monetary Fund (IMF).

Thus, in line with the commitments assumed by the Government by signing the IMF Program, the 2019-21 MTBF was updated between March and June, reflecting the fiscal policies and indicators agreed with the IMF mission and replacing the fiscal policy measures adopted by Parliament at the end of July 2018.

The 2019-21 MTBF seeks to promote a prudent fiscal policy with a cautious debt profile, while focusing on allocating the necessary resources for social spending and stimulating economic growth. In order to determine the national public budget deficit, the derogation clause was applied for public capital investments financed from external sources (according to art.15 of the Law on Public Finances and Fiscal Responsibility No.181/2014).

The main short- and medium-term objective remains the implementation of structural reforms, the consolidation of public finances and financial stability as prerequisites for achieving fiscal sustainability by maintaining a national public budget deficit at sustainable level, avoiding the risks posed by internal and external shocks, as well as dependency on external financial aid.

The Law on Public Finances and Fiscal Responsibility no.181/2014 introduced rules for strengthening fiscal governance. Implementation and consolidation of fiscal rules established under national law is of primary importance in the context of the 2019 budgetary projection and the 2020-2021 perspective.

One of the core objectives of the 2019-21 MTBF, which is also a prerequisite for supporting new policy initiatives, is to make more efficient use of budget resources and redirect the existing resources to programs of major importance.

In the context of the 2019-21 MTBF, the priorities reflect accurately the medium-term sector policy priorities (2019-21) approved by Government Decision no. 350/2018 and derive from the National Development Strategy "Moldova 2020", the 2016-2018 Government Activity Program and the Association Agreement between the Republic of Moldova and the European Union. Sectoral policy priorities are also based on other sectoral strategic documents, which provide the budgetary authorities with flexibility to determine the most appropriate structure and possible levels of funding to achieve these objectives.

Public policy consultations were held with line ministries in June 2018 as part of the MTBF development process. As a result of these discussions, sector expenditure ceilings have been updated in line with sector priorities. These ceilings and the main sector priorities are reflected in Chapter IV and Annexes 2 and 3.

Public authorities shall update their sector spending strategies and place them on their web pages on the basis of sector expenditure ceilings. The expenditure ceilings for central public authorities financed from the state budget for the 2019-21 period shall also be established on the basis of these sector ceilings.

B. Improved Economic Performance

The recent macroeconomic outcomes have exceeded expectations. In 2017 the economic growth was 4.5% and was driven by strong domestic demand and positive external environment. Domestic demand rose sharply largely due to private consumption and increased investment volume, which registered positive rates following the previous years' crisis. Stronger domestic demand adversely affected net trade, as imports rose faster than exports. Annual average inflation reached the level of 6.6 percent - close to the target set by the National Bank of Moldova. The national public budget deficit stood at 0.8% of GDP (as opposed to the projected figure of 3.0%). The lower deficit is due to under-execution of local budget expenditures, as well as to uncertainty of financing projects funded from external sources, execution of works, procurement and termination of agreements on certain projects.

The 2017 macroeconomic trends remained valid for this year, and certain aspects showed notable improvement with a positive impact on the budget. The medium-term macroeconomic forecast does not foresee worsening of the macroeconomic conditions and the planned structural reforms are expected to have a beneficial effect on the macroeconomic environment.

C. Managing Continued Budgetary Challenges

Further consolidation of the fiscal position and responsible public finance management remain the primary objectives of the Government for 2019-21. In this context, budget planning and execution will be in line with the fiscal rule, which limits the budget deficit to 2.5% of GDP, excluding grants. Considering that the existing fiscal space is already limited, the Government intends to achieve its strategic objectives through reallocations within the existing ceiling established in the macro-fiscal framework.

The implementation of the derogation clause allows the Government to finance capital investment projects above the deficit threshold (without grants) of 2.5% of GDP, provided that these projects are funded by international financial institutions and development agencies, so as to have real sources of funding and implementation capacities.

In the context of current challenges, the Government aims to focus its efforts on promoting macroeconomic policies geared to stability and reforms that foster economic growth. The core objectives of the 2019-21 MTBF and the 2020-2021 horizon are:

- 1) Strengthen public finances – implementation of the fiscal rule limiting the deficit/GDP (without grants) to 2.5% of GDP while taking measures to improve the structure of

budgetary expenditures by cutting inefficient current expenditure and building space for development projects;

2) Enhance revenues by expanding the tax base, adopting measures to combat the shadow economy and progress in the implementation of fiscal governance reform and tax compliance. Tax exemptions and/or reduced VAT rates, excise taxes, personal income tax, corporate income tax and property taxes are to be reviewed and optimised. These efforts will contribute to the gradual reduction of the dependence on external grants;

3) Promote a prudent employment and wage policy – in this context the Government is committed to restricting employment to the extent necessary for the efficient and effective provision of public services;

4) More efficient funding and spending of capital expenditures, increase in the efficiency of spending in education and better performance in health care;

5) Implement a clear social protection policy which does not only support vulnerable population categories, but also encourages employment, ensures fiscal sustainability and the timely and efficient management of costs. The Government intends to maintain the necessary incentives for sustainable economic growth and employment.

These measures concern all budgetary authorities so it is important to improve cooperation between all levels of Government in order to monitor the country's agenda for economic development, while maintaining macro-fiscal stability.

D. More Effective Public Expenditure

A medium-term challenge is to improve the efficiency of budget spending. In order to provide more targeted and sustainable saving measures as well as higher quality spending, it is necessary to introduce a medium-term expenditure analysis to strengthen the delivery of public services and to identify potential areas for savings or gains at the efficiency level.

In the first stage, the expenditures of high-spending ministries or sectors where there is greater efficiency potential will be rationalized. Further analyses targeted on sector spending and specific programs will be undertaken. In the medium term, each line Ministry is expected to be subject to rationalization of budget expenditure.

The State's current expenditure on the provision of public services is subject to periodic review, as part of the budgetary reform measures introduced for the first time by the Government in 2018. The education sector, namely higher education and vocational / vocational-technical education, was selected for the purpose of piloting the expenditure rationalization exercise in 2018. The goal of piloting this exercise is to increase the efficiency of the use of funds in this sector, identifying possible non-priority savings / expenditures, which will then be geared towards implementing new policies in the education sector to be included in the 2020-22 MTBF and the budget for 2020.

The preparation of the 2019-21 expenditure forecasts was guided by a set of principles. These principles will be considered when assessing budget proposals in the budgetary planning process. Expenditure estimates are expected to be kept within the sectoral aggregate ceiling set for 2019 and the 2019-21 MTBF.

Resource allocation within the 2019-21 MTBF aims to achieve:

- 1) Close correlation with the priorities provided for in the national strategic planning documents – Government Decision no.350 / 2018 on the approval of medium-term sectoral policy priorities (2019-21), the National Development Strategy "Moldova 2020", the Association Agreement between the Republic of Moldova and the EU, and the 2016-2018 Government Activity Programme;
- 2) Allocation of resources for expenditure programmes that are more effective and have a greater impact on the achievement of Government policy objectives;
- 3) Achieving a higher value for money ratio by targeting resources towards high-level priorities;
- 4) Correlating the external funding provided through development partners and other sources.

These principles serve as a guideline for new funding initiatives and for the allocation of fiscal space (budget expenditures that the Government can decide upon without jeopardising the fiscal position and economic stability). All the new initiatives accepted will be set within the established spending limits.

When drafting budget proposals for 2019 and the medium-term estimates (2019-21), the budgetary authorities/institutions have to show how their budgetary plans respond to Government policy priorities. Budgetary authorities/institutions are encouraged to improve spending efficiency against these priorities, including reallocation within existing spending limits.

II. ECONOMIC OUTLOOK

A. Global Economic Outlook

1. Global economic forecasts indicate further growth linked to continued investment, improved productivity and trade recovery. , Moderate economic growth is projected for advanced economies, with central banks are gradually phasing out post-crisis measures and the pace of investment is stabilizing. In emerging and developing economies, economic growth will be strengthened in the context of further recovery of exports of basic products and price stabilisation.

2. The world economy grew by 3,2% in 2016 and by 3,8% in 2017. Growth has been recovering in the developed economies with the USA and the Eurozone recording growth of 2,3% in 2017. Output in the Commonwealth of Independent States, which had seen a drop of 2.2% in 2015 recorded growth of 0.3% in 2017. In China and India, output grew by 6,9% and 6,7% respectively. For 2018, IMF foresees acceleration of economic growth in all countries, while for 2019 only the Indian economy shows and increase of 7,8% with slightly lower growth rates expected in other countries.

3. Consumer prices in advanced economies are projected to accelerate from 1,7% in 2017 to 2,0% in 2018 and 1,9% in 2019. The forecasted inflation in emerging and developing economies is ranging between 4.3% and 4.6% in the following years (see Table 2.1).

4. Growth of world trade volume was 4,9% in 2017 and is forecasted to accelerate to 5,1% in 2018, and will increase to 4,7% in 2019.

5. Risks affecting these projections include potential disruptions to global trade, capital flows and migration, tightening of economic and financial conditions and uncertainty, plus noneconomic factors such as geopolitical risks.

Table 2.1

Global Projection and Consumer Prices 2017-2019

	2017	2018	2019
	Actual	Forecast	Forecast
Growth in output (PGB)			
Global output	3,8	3,9	3,9
United States of America	2,3	2,9	2,7
Euro Zone	2,3	2,4	2,0
Germany	2,5	2,5	2,0
France	1,8	2,1	2,0
Italy	1,5	1,5	1,1
Commonwealth of Independent States	2,1	2,2	2,1
Russian Federation	1,5	1,7	1,5
China	6,9	6,6	6,4
India	6,7	7,4	7,8
Consumer prices			
Advanced economies	1,7	2,0	1,9
Euro Zone	1,5	1,5	1,6

(%)

B. The Moldovan Economy – Recent Developments and Outlook

6. According to preliminary estimates, the Moldovan economy increased by around 4,5% in 2017. This was attributable to the upswing in most economic activities, increases being made in areas such as investment, foreign trade, private and public consumption.

7. The average inflation rate during 2015-2017 was volatile, increasing to 9,7% in 2015 and falling back to 6,4% in 2016, followed by a slight increase in 2017 (6,6%). The average US dollar exchange rate appreciated from MDL 19.92 to the US dollar in 2016 to 18.49 in 2017. A restrictive monetary policy, supported by stabilisation of the national currency, resulted in inflation being brought within the target range of 5% +/- 1,5%.

8. After falling by 19,5% in 2015, exports increased by around 4% in 2016 and 19% in 2017. Imports showed a drop of 25% in 2015, followed by an increase of 0,8% and 20% respectively in the following periods.

9. Policies to achieve sustainable and including economic growth are set out in Moldova's National Development Strategy ("Moldova 2020") and the recently adopted Economic Development Document. The policies highlight the importance of improving productivity, attracting investment and promoting human development. The Economic Development Document specifies priority areas for growth and poverty reduction, education, the financial sector, the business climate (Box 2.1), energy and energy efficiency, the agriculture and agro-processing sector and export diversification (box 2.1).

Box 2.1. Moldova's Global Competitiveness

The 2017-2018, Global Competitiveness Report published by the World Economic Forum ranks Moldova's competitiveness at 89 out of 137 countries surveyed, having risen from 100th in the previous year. The survey utilises 114 indicators across 12 pillars. The key competitiveness challenges for Moldova are effective institutions, the macroeconomic environment, goods market efficiency, development of financial markets, market size, business sophistication and innovation.

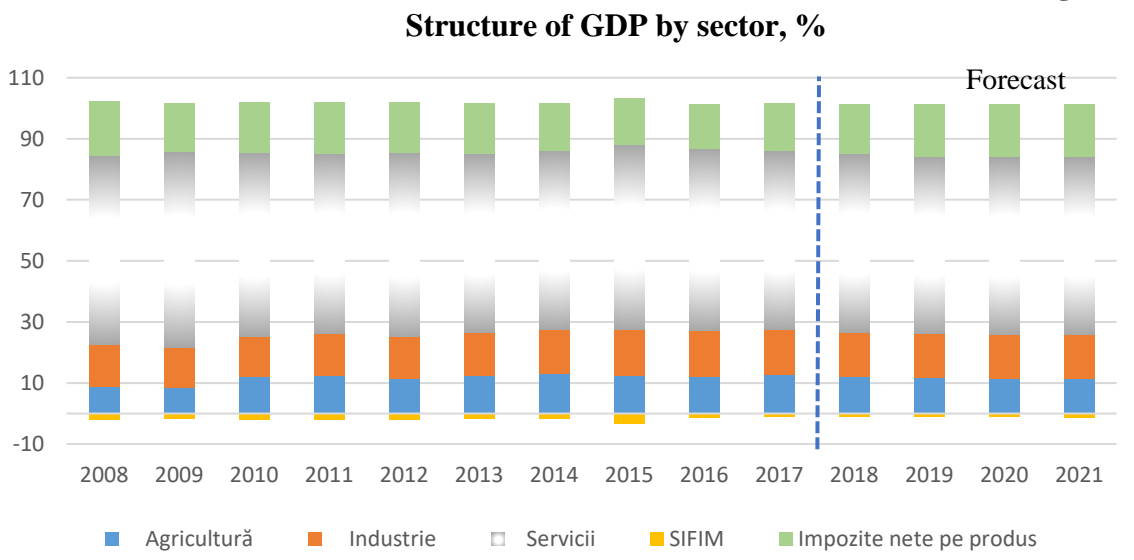
10. The forecast of Moldova's main macroeconomic indicators (Table 2.2) over the period 2018-2021 is based on a number of assumptions. These include maintenance of favourable international conditions; continuation of structural reforms, export promotion and private sector support through simplification and liberalisation efforts prudent fiscal policy; and the maintenance of financial, price and exchange rate stability.

11. Over the period of 2018-2021:

- 1) Real GDP is forecasted to register an average annual growth of 4,0%. This depends on the relatively good progress of national economic sectors;

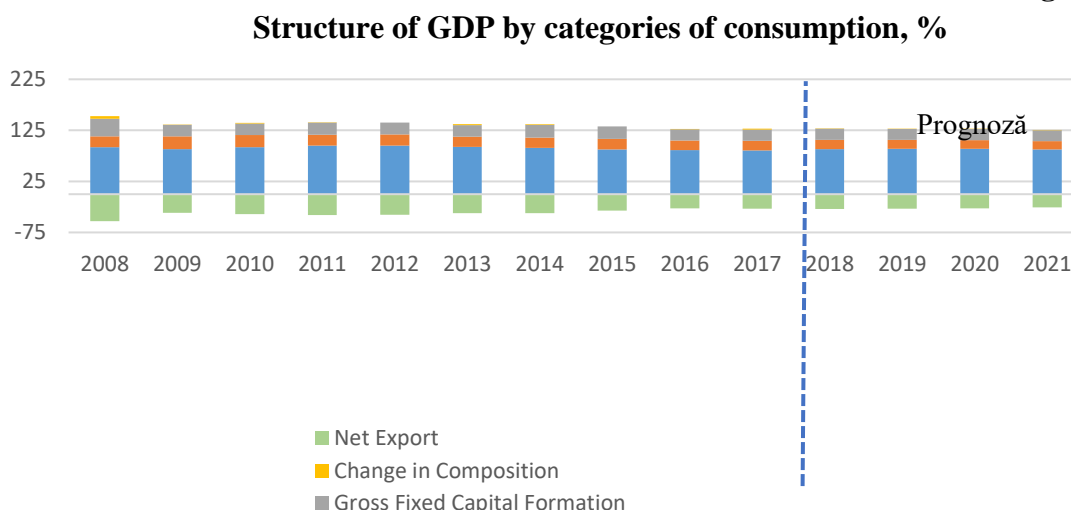
2) There will be some structural changes in the GDP: with the share of gross value added will decrease from 84.6% (in 2017) to 83% (in 2021) as per category of resource, and the net product tax share increasing due to the tax administration reform.

Diagram 2.1



3) the increase in external demand will be largely due to the increase in private consumption, which will be reflected in the GDP structure by categories of consumption. The share of final consumption of households in GDP will increase from 86% in 2017 to 87% in 2021. At the same time, the share of gross fixed capital formation will decrease, from 22% to 21%. The share of net exports will decrease from about 28% to 26% of GDP;

Diagram 2.2



4) Monetary policy will continue to be oriented to maintain the inflation rate in the targeted 5% \pm 1,5% in order to assure price stability for the medium term;

5) The average US dollar exchange rate is projected to appreciate from 18,49 de MDL in 2017 to 16,83 lei in 2018, followed by gradual depreciation for the next years up to 18.51 lei / US dollar in 2021;

6) exports are expected to show lower growth rates for the 2018-2021 period from 15.1% to 5.7%, with an average annual change of 9.1%;

7) imports are projected to shrink from the growth rate of 17.4% in 2018 to 5.0% in 2021 with an annual average of 8.9%, which means further negative appreciation of the trade balance. According to estimates, external trade with EU Member States will increase as a result of the full implementation of the Free Trade Agreement with the EU.

12. Risk factors to the macroeconomic projection still include:

- 1) Adverse weather conditions affecting the agriculture and agro-processing sectors;
- 2) Regional instability which would increase uncertainty;
- 3) Negative developments in the economies of Moldova's main trade partners and the destination countries for Moldovan migrants.

Table 2.2

Moldova – Selected Real Sector Indicators

	Unit	2016	2017	2018		2019	2020	2021
		Actual	Actual	Forecast	Estimated	Forecast	Forecast	Forecast
Gross Domestic Product ¹								
At current prices	MDL billion	135,4	150,4	160,1	163,0	177,9	193,9	211,5
Real growth rate	%	104,5	104,5	103,0	103,8	103,8	103,8	104,0
Consumer price index								
Annual average	%	106,4	106,6	104,3	104,1	104,7	105,0	105,0
Exchange rate								
Annual average	MDL/USD	19,92	18,49	17,68	16,83	16,99	17,97	18,51
Export of Goods and Services								
Nominal	USD million	2045,3	2425,0	2540,0	2790,0	3052,0	3245,0	3430,0
Import of Goods and Services								
Nominal	USD million	4020,3	4831,0	5100,0	5670,0	6130,0	6480,0	6805,0
Trade Balance								
Nominal	USD million	-1975	-2406	-2560	-2880	-3078	-3235	-3375
Average Monthly Wage								
Nominal	MDL	5084,0	5697,0	6150,0	6180,0	6650,0	7250,0	7950,0
Labour remuneration Fund								
Nominal	MDL	35,6	40,0	42,6	43,2	46,7	50,7	55,5

13. The detailed forecast of the macroeconomic indicators underlying the MTBF 2019-21 estimates is set out in Annex 1.

¹ The values of the Gross Domestic Product are reflected according to SNA, ONU-1993/SEC-1995 methodology

III. BUDGETARY POLICY AND 2019-21 MTBF FORECASTS

A. Policy Overview

14. During 2019-21, the Government will consolidate the progress made in restoring stability and sustainability to its public finances while protecting allocations for social and capital expenditures. Key measures to be taken include:

- 1) Strengthening the tax base by rationalising tax exemptions, improving income tax reporting and strengthening tax administration;
- 2) Putting health and social insurance funding on a more sustainable basis;
- 3) Improving the efficiency of public spending, restructuring of public administration, better targeting of social benefits, and improvements in the funding and management of the public investment programme;
- 4) Expanding and deepening the domestic market for Government securities in response to reduced concessional external borrowing opportunities;
- 5) Strengthening the monitoring and management of fiscal risks.

Compliance with the Fiscal Rule

15. The 2019-21 MTBF period seeks to further implement the fiscal rule stipulated in Law 181/2014 on 'Public Finance and Fiscal Responsibility'. The fiscal rule requires that the adjusted National Public Budget deficit should not exceed 2.5% of GDP (without grants).

16. At the same time, the limit of the National Public Budget deficit can be exceeded given real sources of financing capital investment projects from external sources.

17. The negative budget balance is estimated to range between 2,5% of GDP in 2018, 2,3% in 2019, 1,5% in 2020 and 1,4% in 2021. The application of the derogation clause for capital expenditures financed from external sources, while complying with the 2019-21, deficit targets established in the IMF Memorandum, also ensures that the budget balance falls within the fiscal rule (Table 3.1).

Table 3.1

Compliance with Moldova's Fiscal Rule

(% of GDP)

	2018	2019	2020	2021
1. NPB Balance* Without Grants (Fiscal Rule), (informative)	2,5	2,5	2,5	2,5
2. NPB Balance, excluding grants + Expenditure on Externally Financed Projects	2,5	2,3	1,5	1,4
3. Required Derogation from Fiscal Rule	2,2	1,8	1,8	1,2
4. NPB Balance without grants + Derogation (under the law) (2+3)	4,7	4,1	3,3	2,6
5. Grants	1,8	0,9	0,5	0,3
6. NPB Balance (cash) (4-5)	2,9	3,2	2,8	2,3
Expenditure on Externally Financed Projects (EFP), total	4317	3 863	4 313	3 209
<i>Expenditure on EFP to Cover the Derogation Clause</i>	<i>3522</i>	<i>3 203</i>	<i>3 491</i>	<i>2 538</i>

Source: Ministry of Finance

Revenue framework in line with the IMF Programme objectives

18. The 2019-21 MTBF was developed in line with the target macroeconomic indicators agreed during the third assessment (15–27 March 2018) of the IMF-supported programme through the EFF (Extended Fund Facility) and the ECF (Extended Credit Facility) mechanisms, Table 3.1a.

Table 3.1a

Compliance with IMF programme targets

	(MDL million)		
	2019	2020	2021
<i>Cash deficit</i>	5 738,7	5 423,9	4 811,3
<i>On-lending to SoEs* - net</i>	470,2	1 172,3	905,9
<i>On-lending to SoEs – disbursements</i>	550,1	1 328,3	1 111,9
<i>On-lending to SoEs - reimbursements</i>	79,9	156,0	206,0
<i>Net Augmented Deficit</i>	6 208,9	6 596,2	5 717,2

* - State Owned Enterprises

Source: Ministry of Finance

19. Halfway to the three-year program implementation (November 2016 - November 2019) supported by the IMF, the Government continues to promote the Comprehensive Reform Program designed to consolidate the economy and eliminate key vulnerabilities. In general terms, the programme's conditions are met under the agreed parameters, macroeconomic stability has been ensured and the economy has been further consolidated. It is therefore essential to maintain a firm commitment to promote effective policies and good economic governance, to strengthen progress and improve the country's economic prospects.

20. On June 29, the Board of Executive Directors of the IMF approved the third assessment of Moldova's program, supported by the Extended Credit Facility (ECF) and the Extended Fund Facility (EFF). As a result, the Republic of Moldova received about 33.8 million US dollars for policies under the programme.

A Tight Fiscal and Budgetary Outlook – Limited Fiscal Space

21. The Budgetary aggregates for the 2019-21 MTBF period confirm that Moldova is on a steady road to recovery but still under a very constrained fiscal framework (Table 3.2).

Table 3.2

Budgetary Aggregates

	mil lei				% of GDP			
	2018 Approved	2019 Forecast	2020 Forecast	2021 Forecast	2018 Approved	2019 Forecast	2020 Forecast	2021 Forecast
Total Revenue	57 000	62 157	66 960	72 611	35,6	34,9	34,5	34,3
Taxes and duties	51 918	57 977	63 387	69 111	32,4	32,6	32,7	32,7
Other revenue	2 252	2 687	2 615	2 780	1,4	1,5	1,3	1,3
Grants	2 830	1 493	958	720	1,8	0,8	0,5	0,3
Total Expenditure	61 714	67 896	72 384	77 422	38,5	38,2	37,3	36,6
Current expenditure	53 737	59 331	62 740	66 814	33,5	33,4	32,3	31,6
Capital expenditure	7 977	8 566	9 644	10 609	5,0	4,8	5,0	5,0
Budget balance	-4 714	-5 739	-5 424	-4 811	-2,9	-3,2	-2,8	-2,3
Financed by:								

External Borrowing	5 598	3 519	3 373	2 035	3,5	2,0	1,7	1,0
Domestic Borrowing	-260	990	2 665	2 610	-0,2	0,6	1,4	1,2
		1	-				-	
Other Financing	-624	230	614	166	-0,4	0,7	0,3	0,1

Source: Ministry of Finance

Coverage of Current Expenditure by Government Revenues Excluding Grants

22. During the 2019-21 MTBF period budgetary sustainability, measured by the coverage of current expenditures by revenues (excluding grant) will improve steadily from a deficit of 0,8% in 2018 to a surplus of 1,1% in 2021. This means that the Government will be able to fund basic expenditure without resorting to borrowing, which is an important indicator of the return to a sustainable path. However, this is only a good start to recovery as the budgetary outlook is very tight for the MTBF period. Revenues are yet to pick up and financing options are limited.

Declining Assistance in the form of External Grants

23. From 2019, there will be a considerable decrease in external grants, in particular of EU budgetary support. This will be partly offset by decreased recurrent expenditure in the MTBF period. However, lower volumes of budgetary support will inevitably affect the available fiscal space, particularly for capital spending.

Limited Spending on Capital Investment

24. The share of capital expenditure to total spending remains modest and fell to 10% of total budgetary expenditure in 2017. Moldova will require higher volumes of public investment in infrastructure and other important areas. The 2019-21 MTBF forecasts provide for capital expenditure to increase to around 13,7% of total budgetary expenditure.

The issue of unfunded mandates

25. Certain mandates still remain unfunded. The total amount of additional funding requests submitted by public authorities during the policy hearings of the MTBF preparation process was MDL 6,5 billion for 2019, MDL 7,0 billion for 2020 and about MDL 6,5 billion for 2021. Only social measures/actions of 36 % (for 2019) and 45 % (the MTBF 2020-2021 period) were accepted, within the limit of the available fiscal space. The measures/actions proposed by central public authorities in the policy hearings are reflected in Annex 3.

B. Revenues

Performance in 2017

26. Budgetary revenues increased to MDL 53 378 million (35,5% of GDP) in 2017 compared with MDL 45 954 million (33,9% of GDP) in 2016. Compared to the previous year, the revenues of the national public budget increased by around MDL 7 424 million or by 1.6% of GDP. This increase was mostly due to the revenues from taxes and duties, which grew by MDL 5,245 million or by 1.3% of GDP.

27. The performance of the major revenue groups in 2017 can be summarised as follows:

- 1) Income tax receipts increased by 18,0%, reflecting an increase in the profit and taxable income obtained by economic operators, as well as in the wage incomes both in the budgetary and in the real sectors as compared to 2016;
- 2) Social Insurance and medical insurance receipts grew by 18,2% and 12,6% in 2017. The increase can be attributed to growth in monthly earnings;
- 3) Receipts from taxes and duties on goods and services grew by 18,2% in 2017.

28. The highest increase was recorded in the excise tax revenues (30.9%), as a result of higher excise rates and import volumes of excisable products. VAT revenues also recorded a relatively high increase (15.8%) as a result of the increase in private consumption and import volumes. Other revenues increased by 14.8% in 2017, mainly as a result of higher proceeds of fines and penalties. External grants for budget support and externally financed projects fell by 26.5% in 2017.

29. According to the decisions taken by the European Commission and other donors, as well as the fluctuation of the exchange rate, the grants for budget support were disbursed in the amount of MDL 740 million (1.4% of total revenues). At the same time, grants for financing investment projects dropped from MDL 974 million to MDL 269 million, as a result of delays in the execution of works and acquisitions on projects under implementation, and the fluctuation of the exchange rate.

Medium-Term Outlook for Revenues

30. The 2019-21 budget forecast illustrates the Government's revenue-enhancing effort. In the medium term, budgetary revenues are forecast to increase by 24.7% in nominal terms from MDL 57 000 million in 2018 to MDL 72 611 million in 2021 (Table 3.3). The growth in revenues will be driven by sustained GDP growth, increased foreign trade, higher excise duty rates and by measures taken to rationalise tax concessions and strengthen tax administration.

Table 3.3

Summary of Revenue Forecast

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Approved	Forecast	Forecast	Forecast
MDL million						
Total Revenue and Grants	45 954	53 378	57 000	62 157	66 960	72 611
Taxes and duties	42 507	49 988	51 918	57 977	63 387	69 111
Personal Income Tax	3 181	3 649	3 852	4 252	4 626	5 059
Corporate Income Tax	3 363	4 074	4 481	5 137	5 761	6 439
VAT	14 564	16 870	17 230	19 611	21 584	23 423
Excises	4 546	5 950	5 903	6 667	7 236	7 981
Foreign trade	1 452	1 5981	1 598	1 848	2 062	2 165
Property taxes	403	546	543	577	588	598
State Social Insurance	10 036	11 864	12 546	13 816	15 059	16 509
Mandatory Health Insurance	3 240	3 648	3 924	4 256	4 635	5 076
Other tax revenue	1 722	1 796	1 841	1 813	1 836	1 861
Other revenue	2 074	2 381	2 252	2 687	2 615	2 780
Grants	1 373	1 009	2 830	1 493	958	720
% of GDP						
Total Revenue and Grants	33,9	35,5	35,6	34,9	34,5	34,3
Taxes and duties	31,4	33,2	32,4	32,6	32,7	32,7
Personal income tax	2,3	2,4	2,4	2,4	2,4	2,4
Corporate tax	2,5	2,7	2,8	2,9	3,0	3,0
VAT	10,8	11,2	10,8	11,0	11,1	11,1
Excises	3,4	4,0	3,7	3,7	3,7	3,8
Foreign trade	1,1	1,1	1,0	1,0	1,1	1,0
Property tax	0,3	0,4	0,3	0,3	0,3	0,3
State Social Insurance	7,4	7,9	7,8	7,8	7,8	7,8
Mandatory Health Insurance	2,4	2,4	2,5	2,4	2,4	2,4
Other tax revenue	1,3	1,2	1,1	1,0	0,9	0,9
Other revenue	1,5	1,6	1,4	1,5	1,3	1,3
Grants	1,0	0,7	1,8	0,8	0,5	0,3
<i>GDP, informative, MDL million</i>	135 397	150 369	160 100	177 938	193 935	211 504

External grants

31. External grants are expected to increase from 0,7% of GDP in 2017 to 1,8% in 2018. At the same time, in the medium term, Moldova's access to additional financing in the form of budget support grants is uncertain. The 2019-21 MTBF foresees a reduction in grant funding from 0.8% in 2019 to 0.3% of GDP in 2021.

Tax and customs policy

32. Tax and customs policy for the 2019-21 period is based on the Concept for amending the Tax Code and the Customs Code. This strategic document aims at harmonising the national legislative framework with the EU Directives and improving the existing legislative framework based on the agreed harmonisation calendar.

33. Tax and customs policy measures for the 2019-21 period focus on the following policy objectives:

- 1) Harmonising tax policies and regulations with EU standards linked to the implementation of EU Association Agreement;
- 2) Facilitating a favourable business environment for development and growth;
- 3) Generating sufficient and stable revenues to finance public expenditure;
- 4) Contributing to a fair and equitable distribution of income;
- 5) Improving and simplifying the tax system.

34. The re-drafting of the Tax Code will be carried out through the revision of the Tax Code titles according to the following calendar (Table 3.4), which will be reflected in the Concept for amending of the Tax Code and the Customs Code (updated version).

Table 3.4

The calendar for reviewing the Tax Code titles

Crt. No.	Actions	2018	2019	2020
1		<i>Revision of Title I of the Tax Code on general provisions</i>		
<i>Note</i>	Title I of the Tax Code will be amended gradually, depending on the amendments made during the revision of the other titles of the Tax Code	✓	✓	✓
2		<i>Revision of Titles II and X of the Tax Code</i> Preparing the draft of the corresponding titles of the Tax Code concerning Income Tax (corporate tax and personal income tax) and relating to the special schemes		
2.1.	Draft prepared	✓		
2.2.	Public consultation of the draft law	✓		
2.3.	Review and finalisation		✓	

Crt. No.	Actions	2018	2019	2020
2.4.	Approval of the Draft Law by Government		✓	
2.5.	Adoption of the Draft Law in final reading		✓	
3.		Updating Titles III and IV of the Tax Code Preparing the draft law that includes norms following the review of exemptions for VAT and excise duties on import / delivery of goods and services, VAT objects and areas of application, taxable persons, taxable supplies, special schemes, examination of taxation of energy products and electricity in the light of EU Directives		
3.1.	Draft prepared	✓		
3.2.	Public consultation of the draft law		✓	
3.3.	Review and finalisation		✓	
3.4.	Review and finalisation		✓	
3.5.	Adoption of the Draft Law in final reading		✓	
<i>Note</i>	Titles III and IV of the Tax Code will be revised gradually, in accordance with the provisions of the EU-Moldova Association Agreement		✓	✓
4.		Revision of titles V and VI¹ of the Tax Code Preparing the draft corresponding titles of the Tax Code on wealth tax and tax procedures		
4.1.	Draft prepared	✓	✓	
4.2.	Public consultation of the draft law		✓	
4.3.	Review and finalisation			✓
4.4.	Review and finalisation			✓
4.5.	Adoption of the Draft Law in final reading			✓
5.		Revision of titles VI, VII, VIII, IX of the Tax Code Preparing the draft corresponding titles of the Tax Code on property tax, local taxes, natural resource taxes, road taxes		
5.1.	Draft prepared		✓	✓
5.2.	Public consultation of the draft law		✓	✓

Crt. No.	Actions	2018	2019	2020
5.3.	Review and finalisation		✓	✓
5.4.	Review and finalisation			✓
5.5.	Adoption of the Draft Law in final reading			✓
6.		<i>Supplementing the Tax Code with a new title to include regulations on the application of mandatory health insurance premiums and mandatory state social insurance contributions</i>		
6.1.	Draft prepared		✓	✓
6.2.	Public consultation of the draft law		✓	✓
6.3.	Review and finalisation			✓
6.4.	Review and finalisation			✓
6.5.	Adoption of the Draft Law in final reading			✓

Income Taxes

35. Corporate and personal income taxes accounted for 16,1% of total tax revenues in 2018. For the 2019-21 period, rates have been estimated based on personal income tax rates, currently 7% and 18%, and the corporate income tax rate, currently 12%. Measures shall be taken to reduce tax evasion, in particular the payment of undeclared wages.

Value Added Tax

36. Value Added Tax accounted for 33,2% of total tax revenues in 2018. During 2019-21, rates are planned to remain unchanged, with a standard rate of 20% and a lower rate of 8%.

37. Over the medium term, tax and customs facilities shall be reviewed. This will involve the restriction of VAT related tax facilities which will be designed to impact in three ways. The first will be applying the standard VAT rate on a series of goods and services previously exempt from VAT. The second entails the application of the reduced VAT rate in exchange for the VAT exemption, and the third involves the reformulation and reduction of tax incentives.

38. VAT exemptions for housing, land, goods and services supplied by educational establishments, products and foodstuffs intended for use by children, elderly and sick care services, healthcare services and financial services are to be reviewed and reformulated in line with EU Directives that govern the VAT exemption for these goods and services or the reduced VAT rates.

39. Import/delivery of tourist packages, spa resorts services, agricultural tractors and agricultural machinery, construction and installation work of wind farms and photovoltaic parks, waste collection machinery and equipment, aircraft, locomotives and wagons etc. are not reflected in the EU Directives on VAT exemption or reduced VAT rates, therefore they should be reviewed in terms of their social utility.

Excise Taxes

40. Excise taxes represented 11,4% of total tax and duties revenues in 2018. During 2019-21 measures will be taken to harmonize excise concepts, legislation and regulations to reflect more closely the EU standards. Duties on tobacco products, alcoholic beverages and petroleum products will be increased to bring them in line with minimum rates set in EU directives, the excise rates for 2021 being gradually established.

Property taxes

41. Property taxes currently account for 1% of total tax revenues in 2018, but have the potential to become a significant source of financing for sub-national governments. Changes will be made to the property taxation system following a review of property valuation processes.

Wealth Taxes

42. It is proposed to maintain the existing wealth tax application system.

Social Fund contributions

43. Social fund contributions, comprising mandatory social insurance contributions and mandatory health insurance contributions, represented 31,7% of total tax revenues in 2018. The financial sustainability of the state social insurance budget and the mandatory health insurance fund is one of the medium-term policy priorities.

Customs Policy

44. In the medium term, customs policy measures will focus on streamlining customs legislation and implementation of a new Customs Code aligned with customs legislation of the European Union and the countries in the region. It is proposed to review the range of payable customs services in the light of the new Customs Code and in line with the commitments under the Association Agreement, which provides for applying a fee for this type of services only outside work hours and in places other than customs offices and posts. The value of this fee shall not exceed the cost of the services provided.

45. The new Customs Code shall be preceded by the drafting, finalisation and approval of the Customs Code Implementing Regulation.

Tax and Customs Administration

46. The mid-term 2019-21 tax administration policy is aimed at ensuring fairness, consistency and transparency in tax administration. In this regard, measures will be taken to:

- 1) Promote and develop tax services for taxpayers;
- 2) Promote the principles of voluntary compliance;
- 3) Develop the risk management system for fiscal non-compliance with a view to streamlining the control and prevention of tax evasion;
- 4) Review the fines system and transfer several categories of fines from the Tax Code to the Contravention Code, considering international practice;
- 5) Elaboration and implementation of the "Electronic sales monitoring" system.

47. In order to increase the efficiency of tax administration services and improve proceeds from taxes and duties, the following measures will be undertaken in the 2019-21 period:

- 1) Strengthen operational management (process monitoring, tax compliance control, tax control and arrears management);
- 2) Improve the performance of the General Directorate of Large Tax payers and individual program on wealth/luxury goods, including the compliance of individuals with the large taxpayer status.

48. The customs administration policy will be strengthened through the following measures:

- 1) Promoting voluntary compliance with import / export duties by implementing modern customs procedures that facilitate external trade and ensure the security of international supply chains;
- 2) Increasing the level of state economic and border security;
- 3) Transposition of international standards for trade facilitation into national customs regulations;
- 4) Enhancing staff professionalism and integrity, so as to carry out the Customs Service mission in an effective and transparent manner.

C. Expenditure

Performance in 2017

49. In 2016 public expenditure in nominal terms increased from MDL 48462,6 million to MDL 54522,4 million in 2017. Also, their share in GDP increased by 0.5 percentage points, from 35.8% in 2016 to 36.3% in 2017.

50. The wage-bill expenditure in nominal terms increased as share in GDP from 8,1% in 2016 to 8,3% in 2017. Also, spending on subsidies increased from 1.6% of GDP in 2016 to 1.7% of GDP in 2017. Expenditure on social benefits increased in nominal terms, but declined from 12.1% of GDP in 2016 to 11.9% of GDP in 2017.

Table 3.5

**Expenditure Forecasts by Economic Classification
(National public budget)**

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Approved	Forecast	Forecast	Forecast
	(MDL million)					
Total Expenditure	48463	54522	61714	67896	72384	77422
Current Expenditure	43781	49089	53738	59331	62740	66814
Wages	10967	12505	13769	14947	16097	17343
Goods and services	9501	10589	11817	13101	13610	14415
Interest	1812	1959	1886	2072	2201	2311
Subsidies	2134	2546	2215	2912	2834	2445
Social transfers	16404	17965	19833	21212	22440	23559
Other Expenditure	2963	3525	4218	5087	5558	6742
Capital Expenditure	4682	5433	7976	8566	9644	10609
	(% of GDP)					
Total Expenditure	35,8	36,3	38,5	38,2	37,3	36,6
Current Expenditure	32,3	32,6	33,6	33,3	32,4	31,6
Wages	8,1	8,3	8,6	8,4	8,3	8,2
Goods and services	7,0	7,0	7,4	7,4	7,0	6,8
Interest	1,3	1,3	1,2	1,2	1,1	1,1
Subsidies	1,6	1,7	1,4	1,6	1,5	1,2
Social transfers	12,1	11,9	12,4	11,9	11,6	11,1
Other Expenditure	2,2	2,3	2,6	2,9	2,9	3,2
Capital Expenditure	3,5	3,6	5,0	4,8	5,0	5,0
<i>GDP, informative, MDL million</i>	<i>135397</i>	<i>150369</i>	<i>160100</i>	<i>177938</i>	<i>193935</i>	<i>211504</i>
Source: Ministry of Finance						

Expenditure Policy and Forecast: 2019-21

Expenditure Policy Priorities

51. As in previous years, the Government aims to remain prudent and promote the effective and efficient use of public resources allocated to public services, social welfare programmes and infrastructure development and maintenance. This will be achieved through the following measures:

- 1) Effective management of Government payrolls linked to the implementation of planned restructuring of Moldova's public administration;
- 2) Furthering structural reforms in key sectors such as education and public order to provide for more effective and efficient service delivery consistent with the available budgetary resources;
- 3) Ensuring adequate funding for social protection programmes and the better targeting and management of programmes;
- 4) Prioritisation of operational and maintenance spending within the budgetary settlement to ensure public services and infrastructure operations are better resourced;

5) Strengthening the management of the capital investment programme.

Wage-bill

52. As concerns the wage-bill in the budgetary sector, the 2019-21 MTBF provides for allocations for further implementation of the measures concerning wages provided by the legislation in force. The wage-bill expenditures during 2019-21, although increasing in nominal terms by 26%, are expected to fall from 8,4% of GDP in 2019 to 8,2% in 2021. The dynamics of personnel costs for the period of 2018-2021 is laid down in Table 3.6.

Table 3.6

The dynamics of personnel costs for the period of 2018-2021

	2018	2019	2020	2021
Personnel costs NPB, MDL million	13768,6	14946,8	16096,6	17343,3
Increase year/year, absolute value, MDL million		1178,2	1149,8	1246,7
Increase year/year, %		8,6	7,7	7,7
GDP, MDL million	160100,0	177900,0	193900,0	211500,0
% of GDP	8,6	8,4	8,3	8,2

53. In the field of labour remuneration, the primary medium-term objective is to strengthen the relevant legislative and normative frameworks in order to improve and streamline the wage system of the national economy employees, meant to ensure a steady growth in the salaries of all employees, correlated with labour productivity growth rates.

54. The new law on the unique pay system shall be implemented in the budgetary sector. It will introduce a new conceptual vision on establishing wages in a transparent and fair manner, and able to reflect and reward professional performance.

55. In order to protect the low-paid employees in financially autonomous entities, the guaranteed minimum wage in the real sector will be reviewed annually, depending on the annual increase in the consumer price index and the work productivity growth rate at national level.

56. Non-tariff systems will be further applied in differentiating the outcome-oriented wages.

57. At the same time, actions/measures aimed at diminishing the "envelope wages" and "undeclared work" practices will be elaborated and implemented during the reference period and the opportunity of changing the method of determining the guaranteed minimum wage in the real sector.

58. Given the persistent financial constraints, and in order to further support the sectoral and administrative reforms, it is necessary to reduce and rationalise wage-bill expenditures in the budgetary sector as a whole, so that part of the wage-bill increases is covered by the savings resulted from the structural reorganisation and optimisation of the number of employees. During 2019-21 it is envisaged to reduce the number of staff units in the institutions financed from the state budget by over 1300 units.

59. The high level of wage-bill expenditures (over 20 percent of total NPB expenditures) and the deficiencies in the current wage system require strict and permanent monitoring and control, as well as implementation of rigorous measures in the planning process in order to increase the transparency of these expenditures.

60. Central and Local Governments must consider the implications of the wage increase measures introduced in 2018 according to the legislation in force, the structural adjustments already in place and the relevant structural reforms planned for the period of 2020-21, as well as the new 2018-20 wage-bill policies when preparing the draft budget and 2019-21 estimates.

Operations and Maintenance Expenditures (Goods and Services)

61. Operations and maintenance expenditures are expected to maintain the upward trend in nominal terms, but in relation to GDP they will decrease from 7.4% in 2018 to 6.8% in 2021. The increase in these expenditures results from the specific expenditure programs implemented among sectors and shall ultimately contribute to better quality of public services.

Interest Payments

62. Interest payments are expected to increase in nominal terms, but will decrease from 1.2% of GDP in 2018 to 1.1% in 2021. Debt policy and management are discussed in Section D of this Chapter.

Subsidies

63. For the 2019-21 period, subsidies are expected to decrease up to 1,2% of GDP in 2021. The most important transfer programmes are subsidies to the agricultural sector, road maintenance, motor vehicle transport, housing and household utilities. In the medium term, the major subsidy programmes will be reviewed to determine their effectiveness and efficiency and identify where reforms are required.

Social Transfers

64. Social transfers are the largest single group of economic expenditures which include three major categories of social transfers:

- 1) social insurance benefits, which are financed by the State Social Insurance Fund;
- 2) social assistance benefits which are financed from the state budget;
- 3) and workplace benefits.

Social insurance accounts for 64,7% of the social transfers, social assistance benefits – 32,3% and workplace benefits – 0,3%. The State Budget also covers any shortfall in social insurance contributions required to cover insurance related benefit payments.

Capital Expenditures

65. Total capital expenditure is expected to recover to 4,8% of GDP in 2019 and will show an upward trend to 5,0% of GDP in 2021 (Table 3.7). A key priority during the 2019-21 period will be to improve the quality of public investment planning and management.

66. Over the short term, it is necessary to assess the investment projects portfolio and select the projects that are worth being implemented further (portfolio cleaning). Thus, the Portfolio Clearing Methodology will be developed in order to identify and close down non-performing projects. Thereafter, measures will be taken to progressively implement the improved procedures set out in the Guidelines for Project Preparation and Appraisal in the Public Sector.

Table 3.7

Capital Expenditures

(% in GDP)

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Approved	Forecast	Forecast	Forecast
Total Budget Expenditure	35,8	36,3	38,5	38,2	37,3	36,6
<i>including</i>						
Capital Expenditure	3,5	3,6	5,0	4,8	5,0	5,0

Source: Ministry of Finance

D. Financing and Public Debt

Public Debt Management Objectives

67. The primary objective of Moldova's public debt management is to meet the financing requirements of the state budget balance (deficit) for a sustainable medium-term budget framework while limiting the associated financing risks. Consistent with this objective policy actions during 2019-21 will focus on:

- 1) Developing the domestic market for Government securities;
- 2) Contracting external state loans considering the cost / risk ratio;
- 3) Improving operational risk management associated with public debt.

Table 3.8

Budget Balance and Its Financing 2016-2021

(% of GDP)

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Forecast	Forecast	Forecast
NPB Balance	-1,9	-0,8	-2,9	-3,2	-2,8	2,3
Financed by:						
Net External Borrowing	2,6	1,6	3,5	2,0	1,7	1,0
<i>Of which: Budget support</i>	2,3	1,7	2,0	1,2	0,5	0,3
<i>Projects funded from external sources</i>	1,1	0,7	3,1	2,3	2,8	2,1
<i>Reimbursement of external credits</i>	-0,9	-0,9	-1,5	-1,5	-1,6	-1,5
Net Domestic Borrowing	0,7	0,7	-0,2	0,6	1,4	1,2
Other sources	-1,5	-1,5	-0,4	0,7	-0,3	0,1
<i>Of which: Participation in the capital</i>	0,2	0,1	0,2	0,2	0,1	0,2
Total Sources of Financing	1,9	0,8	2,9	3,2	2,8	2,3

Source: Ministry of Finance

External Financing

68. In the medium term, forecasts show a decline in external funding sources of the state budget balance due to the significant reduction of budget support flows. External creditors will predominantly allocate sources for the implementation of capital investment projects. The World Bank, the European Investment Bank, the European Bank for Reconstruction and Development, the Council of Europe Development Bank, the International Monetary Fund, the

International Fund for Agricultural Development, etc., are expected to be the largest external creditors of the Government in the medium term.

Domestic Financing

69. Net domestic financing requirements are expected to increase from 0,6% of GDP in 2019 to 1,3% of GDP in 2021. This reflects both the increase in financing requirements and the higher cost of external financing.

70. All domestic borrowing is currently issued through GS of up to 12 months maturity. One of the key debt management objectives over the 2019-21 period remains to extend maturities and broaden the market for government securities. The Ministry of Finance effort in this domain in the medium term will focus on strengthening transparency and predictability of the market, monitoring and assessing primary dealers' performance.

Debt Stock and Debt Servicing

71. In the medium term, the total debt stock to GDP will decrease from 38,6% at the end of 2018 to 36,7% at the end of 2021. This is explained by the higher growth rate of GDP projected compared to the growth rate of the state debt balance. Therefore, the state debt balance will increase in nominal terms from MDL 61 729,5 million at the end of 2018 to MDL 77 562,1 million at the end of 2021 (Table 3.9).

Table 3.9

Public Debt Stock 2016-2021

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Approved	Forecast	Forecast	Forecast
Total Debt Stock (year-end)	37,5	34,4	38,6	35,4	37,0	36,7
External Debt	21,6	19,3	23,7	21,0	22,5	22,1
Domestic Debt	15,9	15,0	14,9	14,3	14,6	14,6
	(MDL million)					
Total Debt Stock (year-end)	50 785,8	51 660,3	61 729,5	62 939,4	71 763,5	77 562,1
Of which						
External Debt	29 266,2	29 081,8	37 869,9	37 439,8	43 548,9	46 687,5
Domestic Debt	21 519,6	22 578,5	23 859,6	25 499,6	28 214,6	30 874,6

Source: Ministry of Finance

72. Interest and state debt related payments are expected to increase slower than in recent years and remain around 1,1% of GDP during the 2019-21 period. Over this period, the External Debt Servicing is expected to account for MDL 1 442,2 million (23,2% of the total), and the Domestic Debt Servicing – MDL 4764,5 million (76,8% of the total). During each year of the MTBF, expenditures on Domestic Debt Servicing will fluctuate due to the increase of the domestic state debt balance over this period, as well as the decrease in the government securities interest rates.

Table 3.10**State Debt Service 2016-2021**

(% of GDP)

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Forecast	Forecast	Forecast	Forecast
Total State Debt Service	1,3	1,3	1,1	1,1	1,1	1,0
Of which: External Debt	0,2	0,2	0,3	0,3	0,3	0,2
Domestic Debt	1,1	1,0	0,9	0,8	0,8	0,8

Source: Ministry of Finance

State Guarantees

73. In the medium term, the state guarantees balance is expected to be equal to the balance of the guarantees issued for mortgage loans under the “Prima casă” (First house) Programme.

State On-Lending

74. In 2017, State On-Lending was MDL 783,21 million (0,5% of GDP) and is expected to reach MDL 1 667,0 million (0,8% of GDP) in 2021. The national economy, energy, agri-industrial and transport sectors will account for the largest share in the on-lending operations composition for the 2019-21.

Table 3.11**On-Lending Operations**

(% of GDP)

	2016	2017	2018	2019	2020	2021
	Actual	Actual	Approved	Forecast	Forecast	Forecast
On-lending to local budgets	0,05	0,04	0,02	0,01	0,0	0,0
On-lending for SoEs (for investment projects)	0,2	0,2	0,4	0,3	0,7	0,5
On-lending to private sector	0,1	0,3	0,4	0,4	0,3	0,3
Total On-lending	0,4	0,5	0,8	0,7	1,0	0,8

Source: Ministry of Finance

On-Lending for SoE and Private Sector

75. During the 2019-21 period, there is a slightly increasing trend in the on-lending of state-owned enterprises (from 0,4% of GDP in 2018 to 0,5% of GDP in 2021) as a result of the implementation of projects of major national importance by state-owned enterprises.

76. Future borrowing requests should be accompanied by:

- 1) Comprehensive feasibility studies, that have been subjected to independent review, that confirm the economic and financial viability of the project;
- 2) A forward medium-term business plan for the SoE that shows the viability of its core business operations;

3) An independent credit-risk assessment that identifies measures to be taken to strengthen governance and management of the enterprise.

Loans provided through the banking sector

77. External loans are channelled to the private sector through the banking system. In such case, the banks are responsible for assessing loan applications, approving loans and assuming the credit risk. This method shall be applied as a matter of priority in the medium and long terms. on-Lending to the private enterprise sector is forecast at MDL 1 731,6 million.

On-lending to ATUs

78. For implementing the territorial projects financed from external sources, the Ministry of Finance provides on-lending from external loans to local governments. This method is applied in the implementation of projects related to the construction of social housing and the development of drinking water supply services.

IV. EXPENDITURE PROGRAMME 2019-21

A. Baseline Budget and Fiscal Space

79. This chapter discusses spending priorities and the allocation of budgetary resources within 10 sector groups. The chapter follows the international classification of the functions of government (CoFoG) that is used by the Ministry of Finance for expenditure reporting. A distinction is made between two basic elements of the expenditure framework:

- 1) Baseline expenditure: mid-term spending on securing existing levels of public services under the existing policies and legislation in force (excludes interest payments);
- 2) Fiscal space: funding available for public investment projects (on-going and new) and new policy initiatives in 2019-21. Information on the baseline budget and reserved fiscal space for the 2019-21 MTBF is presented in Table no. 4.1.

80. The determination of the baseline budget has been made on a tight budgetary framework and represents around 92% of total expenditure. There is need to keep exploring opportunities for efficiency savings within the baseline budget in order to free up resources for maintaining and strengthening services and meeting non-discretionary spending demands.

81. The 2019-21 MTBF baseline ceilings were determined based on the analysis of 2017 budget allocations, 2018 approved allocations and an update exercise to take account of technical factors such as forecast changes in school enrolment and social welfare beneficiaries. Subsequently, the total fiscal space was calculated according to the estimated resource framework.

Table 4.1

Baseline Budget and Fiscal Space

	(MDL million)			(% of GDP)		
	2019	2020	2021	2019	2020	2021
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Total Expenditure (excluding interest payments)	65824	70183	75112	37,0	36,2	35,5
Total Baseline Expenditure	62581	65027	64974	35,2	33,5	30,7
Total Available Fiscal Space	3243	5156	10138	1,8	2,7	4,8
<i>Of which:</i>						
Policy Initiatives (Current)	2653	3488	7506	1,5	1,8	3,5
Capital Expenditure	590	1668	2632	0,3	0,9	1,2

82. The baseline expenditure ceilings for 2019-21 have increased compared with the outer year ceiling forecasts in the 2018-20 MTBF. The mid-term objective is to ensure a sustainable budget while providing some funding to critical new policy measures.

83. A major factor in the increase of fiscal space for capital investment spending is the planned externally financed projects, such as projects in road infrastructure, the penitentiary system.

B. Sectoral Expenditure Programme Implications and Priorities

Recent Trends

84. Expenditure allocations to the social sector groups (health, recreation and culture, education and social protection) were equivalent to 25,5% of GDP in the 2018 Budget and accounted for 68% of total planned National Public Budget spending (excluding interest payments). Since 2016, total spending increased as share in GDP, with higher allocations to economic affairs sectors (which include the agriculture, energy, private sector development, and transport sectors), social protection, health, education, general public services.

Table 4.2

Expenditure by Function (Sector groups) 2016-2018

	2016	2017	2018
	Actual	Actual	Approved
General Public Services (excluding interest payments)	2,5	2,5	2,7
Defence	0,4	0,4	0,4
Public Order and Safety	2,5	2,7	2,8
Economic Affairs	3,4	3,6	4,9
Environment Protection	0,1	0,1	0,1
Housing and Community Amenities	0,8	0,9	1,0
Health	4,8	4,8	5,0
Sport, youth, religion and recreation	0,9	0,9	0,9
Education	6,3	6,4	6,5
Social protection	12,8	12,7	13,1
Total Expenditure (Excluding Interest Payments)	34,5	35,0	37,4
<i>Memo Items: GDP (MDL million)</i>	<i>135400</i>	<i>150369</i>	<i>160100</i>
<i>Interest payments (% of GDP)</i>	<i>1,3</i>	<i>1,3</i>	<i>1,2</i>

Source: Ministry of Finance

C. Expenditure Policy and Priorities

Outlook for the 2019-21 MTBF

85. The 2016-2018 Government Activity Programme, the National Development Strategy "Moldova 2020", the Association Agreement between the Republic of Moldova and the EU and the medium-term sectoral policy priorities for the 2019-21 period, approved by the Government Decision no. 350/2018, are the main documents that served as a basis for setting the sectoral policy priorities in the 2019-21 MTBF.

86. Sectoral policy priorities are also based on other sectoral strategic documents that give the budgetary authorities the flexibility to determine the most appropriate composition of expenditure programmes and possible levels of funding for their implementation.

87. In the 2019-21 MTBF, the allocation of resources by sectors was based on the following priorities:

- 1) Expenditure on capital investment in the economic infrastructure sectors;
- 2) Ensuring the sustainability of social sectors programmes;
- 3) Improving the efficiency of public services/general public administration.

Expenditure forecast by sectoral groups 2019-21

88. Table 4.3 below summarizes the forecasted allocations for the 2019-21 MTBF over the main CoFoG categories.

Table 4.3

Expenditure by Functions 2018-2021								
	(MDL million)				(% of GDP)			
	2018	2019	2020	2021	2018	2019	2020	2021
	App	Fore	Fore	Fore	App	Fore	Fore	Fore
Total Expenditure (Excluding Interest Payments)	59828	65824	70183	75112	37,4	37,0	36,2	35,5
General Public Services (Excluding Interest Payments)	4372	4910	4875	4787	2,7	2,8	2,5	2,3
Defence	628	772	893	988	0,4	0,4	0,5	0,5
Public Order and Safety	4459	4997	5298	5207	2,8	2,8	2,7	2,5
Economic Affairs	7807	8571	9435	6967	4,9	4,8	4,9	3,3
Environmental Protection	184	267	273	253	0,1	0,1	0,1	0,1
Housing and Community Amenities	1612	1582	1573	1603	1,0	0,9	0,8	0,8
Health	7978	8531	8962	9503	5,0	4,8	4,6	4,5
Culture, sport, youth, religion and recreation	1406	1542	1578	1636	0,9	0,9	0,8	0,8
Education	10433	11196	11469	12007	6,5	6,3	5,9	5,7
Social protection	20949	22574	23835	25011	13,1	12,7	12,3	11,8

Source: Ministry of Finance

89. The main challenges and priorities by categories are further presented.

General Public Services

90. One of the Government objectives in the medium term is to strengthen the responsibility of the public administration authorities by improving their management and ensuring the delivery of quality public services.

91. The process of developing the National Development Strategy "Moldova 2030" was initiated by the Government and aims at identifying the fundamental factors that influenced and will continue to influence the country's development path in the following period up to 2030. In this context, emphasis will be placed on optimizing and operationalizing a rigorous, integrated and coherent strategic planning system that is correlated with the available financial resources.

92. Public administration reform is a strategic priority of the Government, which is also foreseen in the Association Agenda of the Republic of Moldova with the European Union, as it is related to many other reforms, which must be implemented in the Republic of Moldova. The public sector is to be adjusted to reflect socio-economic developments, while an efficient and professional public administration can further facilitate the country's development. The new concept of the public administration system will be based on values such as transparency, predictability, accountability, adaptability and efficiency.

Further, the Government's plans are aimed at continuing the process of public administration reform in line with the Public Administration Reform Strategy for 2016-2020 (Government Decision No. 911/2016) and the preparation of territorial administrative reform. This requires a multidimensional approach, in-depth analysis, including the experience of other countries in this area and communication with representatives of local public authorities, experts and other stakeholders.

93. Also, in the medium term, the process of modernisation of public services will continue in line with the Action Plan on the Modernisation of Public Services Reform for the 2017-2021 period (Government Decision 966/2016) in order to enhance the quality and accessibility of public services, their digitization, the institutionalisation of Universal Service Provision Centres and their establishment at local level.

94. The Government's objective of country's reintegration is aimed at developing and modernising institutions in the education system, in the areas of culture, rehabilitation of water supply, street lighting, as well as other related activities in the Security Zone and settlements of Transnistria.

Justice, Public Order and Safety

95. The "Public order and National Security" sector covers the areas of "Public Order", "National Security", "Justice" and "Penitentiaries".

96. Over the past few years, a large number of strategic documents have been adopted in this field, the legislative framework has led to the reform of several key institutions, namely: the judiciary, the prosecution, the advocacy, law enforcement bodies, the police, etc. Laws have been adopted that set up new mechanisms and institutions.

97. The strategic objective in the field of justice is ensuring an accessible, efficient, independent, transparent, accountable justice system that meets international standards and European best practices. Therefore, the Government pays great attention to ensuring continuity of the justice reform programme.

98. The process of reforming the internal affairs system aims to establish an integrated public order and security system capable of delivering quality public services for the Protection of Individuals, State, Society and National Security. Particular attention will be given to the initial and follow-up professional training of police officers at all levels, as well as their provision with adequate facilities.

99. For the penitentiary system it is aimed to establish an efficient penalty enforcement system, to modernise the infrastructure in order to improve the conditions of detention and to guarantee safety in detention.

100. The medium-term priorities in this sector derive from several strategic and planning documents, such as: the 2017-2020 Public Order and Security Strategy, the 2016-2020 Police Development Strategy, the 2017-2020 Carabineer Troops Reform Strategy, the 2016-2020 Penitentiary System Development Strategy, the Strategy for Reforming the Information and Security Service of the Republic of Moldova.

101. In the medium-term, major challenges were identified among the following areas:

- 1) Implementing the plan for the construction of new buildings and / or renovation of the existing buildings, necessary for the proper functioning of the Court system;
- 2) Reforming the penitentiary system in order to reduce the large number of convictions of the Republic of Moldova at the European Court of Human Rights;
- 3) Reforming the Police and Carabineer Troops;
- 4) Strengthening capabilities to ensure effective national security;
- 5) Enhance border security and security of people;
- 6) Improve the quality of services provided to the society etc.

102. For the 2019-21 MTBF period, the following main priorities have been identified:

- 1) Implementing the plan for the construction of new buildings and / or renovation of the existing buildings, necessary for the proper functioning of the Court system;
- 2) Modernisation of the penitentiary system infrastructure;
- 3) Ensuring safety of the prison system;
- 4) Implementation of a professional and efficient police service, that operates in the interest of the citizen and the community;
- 5) Strengthening capacities of Carabineer Troops to maintain, ensure and restore public order, prevent and combat crime, and protect the citizen and the state;
- 6) Capacity building in fire-fighting and emergency response;
- 7) Strengthening the integrated border management and the migration management system;
- 8) Strengthening capabilities to ensure effective national security.

103. To support the implementation of the 2016-2020 Police Development Strategy and the 2017-2020 Carabineer Troops Reform Strategy budget support fund totalling Euro 51.0 million for the 2017-2021 period) have been granted by the European Union. of).

National Defence

104. National defence is a fundamental and distinct area of national security and is inter-linked with other development processes of the state. The National Army's consultative and leadership structures ensure the functioning of the defence system in wartime or peacetime.

105. National defence faces a number of challenges, among which the most important are the following:

- 1) obsolete weapons and military technology, kept in inadequate conditions;
- 2) infrastructure objects in continuous degradation;
- 3) stock depletion;
- 4) staff shortage and fluctuation.

106. The main objectives in the field of defence are to develop and modernise the National Army defence capabilities, to increase and maintain the contribution of the Republic of Moldova to

international peacekeeping missions and operations. Therefore, it is proposed to create a modern, professional army that meets current requirements and is capable of responding to both internal and external challenges.

107. The medium-term priorities in this sector result from several strategic and planning documents, including the "Professional Army 2018-2021" Programme, the National Defence Strategy, the National Security Strategy.

108. In order to achieve the set objectives, the following priorities were identified:

- 1) enhance professionalism of the National Army, through the gradual increase of the number of soldiers recruited on a contract basis;
- 2) development and modernisation of military and social infrastructure;
- 3) endowment with modern weapons, ammunition and facilities;
- 4) improving the social conditions for the military personnel and increasing the attractiveness of the military service among society;
- 5) enhancing cooperation relations with external partners.

Economic Affairs

109. Over the next period, the Government of the Republic of Moldova will focus on economic development, employment and social welfare. Most of the budgetary framework will focus on these priorities implementation in order to ensure economic growth and create new jobs. To achieve these goals, the Government will focus on establishing a more favourable tax environment, improving trade policy and integration into the global economy, improving the business environment, follow-up implementation of the existing infrastructure modernisation projects, energy sector policies and ongoing support of agriculture and rural development.

110. Government support will focus on the main pillars of economic development through the allocation of financial resources that would help to strengthen the activity of economic operators in particular and the business environment in general. The main mechanisms for supporting the economic sector are the subsidies allocated from the National Fund for the Development of Agriculture and the Rural Environment through the small and medium enterprises support programmes (PARE 1+1), as well as business start-up programmes for young entrepreneurs (STURT-UP).

Private Sector Development

111. Supporting the development of the private sector is one of the fundamental objectives of the Government reflected in the main national strategic development documents. According to the National Development Strategy 'Moldova 2030', in order to ensure sustainable economic growth by 2020, structural changes of the national economy are to be made by replacing the inertial growth model, based on the remittance consumption, in favour of a dynamic model, based on attracting investment, developing the industries exporting goods and services. Therefore, in order to develop the private sector, Government policies target the following areas requiring intervention:

- 1) Promoting exports and attracting investment through the cumulative effect of foreign and local investments integrated into the technology chains of foreign investors and channelled into export-oriented economic sectors;
- 2) Improving the business environment – the Republic of Moldova aims at improving the business environment so that the risks and costs associated with each stage of the business life cycle are lower than in the countries of the region by 2020;
- 3) Developing the Small and Medium Enterprises by transforming SMEs into sustainable economic growth factors through better access to financing, improving entrepreneurial culture, fostering the spirit of innovation, developing business partnerships; and
- 4) Effective administration of state assets by boosting the privatisation process.

112. The following priorities have been identified in achieving these objectives:

- 1) Improving the investment climate and promoting the image of the Republic of Moldova as an FDI destination;
- 2) Increasing the export capacities of domestic producers and ensuring the export potential capitalisation on the world market, especially the European Union market;
- 3) Improving the workforce development system for export-oriented priority sectors;
- 4) Removing administrative barriers and constraints in launching, running and winding up businesses;
- 5) Facilitating SME access to financing instruments and promoting entrepreneurial culture among the population;
- 6) Boosting the process of state assets privatisation in the relevant areas, based on the principles of transparency, legality and efficiency.

113. The Government will endeavour to remove legal barriers and reduce bureaucracy, subsidise businesses with export potential, operationalise free trade areas and fight the informal economy. The goal is to develop policies to increase business investment, especially in the production sector and value-added services. In order to support enterprises with export potential, the Government aims to implement and develop new support programmes with the development partners. Subsidising jobs is another Government priority which is also aimed at contributing to economic growth.

Energy Sector

114. The energy sector is another key area of the national economy that plays an important role in the successful implementation of economic development programmes and the preservation of social stability.

115. Currently, the energy sector of the Republic of Moldova is facing the following major challenges:

- 1) Dependence on the import of energy resources and electricity;
- 2) Critical need for high voltage power lines in the power sector to meet the safety criteria and to increase the capacity of interconnection with Romania's power system;

- 3) The need to ensure diversification of supply sources and channels in the natural gas sector;
- 4) Low efficiency in the production and distribution of electric and thermal energy due to obsolete installations and networks;
- 5) Poor implementation of legislation on the buildings' energy performance, energy efficiency and promotion of renewable energy use;
- 6) Poor implementation of energy efficiency projects and capitalisation of the renewable potential.

116. To reduce the impact of these challenges for the 2019-21 MTBF period, the following priorities were identified:

- 1) Ensuring the security of natural gas supply by diversifying the supply sources and channels, while strengthening the role of the Republic of Moldova in the bi-directional transit of natural gas;
- 2) Ensuring the security of electricity supply and strengthening the role of the Republic of Moldova in the electricity transit corridor;
- 3) Setting up a platform for electric and thermal energy generation by ensuring efficient and modernised centralised heating through the use of cogeneration technology;
- 4) Improving energy efficiency and increasing the capitalisation level of the sources of renewable energy through to 2020.

117. The development of energy infrastructure to provide stable sources of energy and natural gas are the Government's key policy priorities for this sector. In particular, the Government aims to implement several major capital investment projects during this period with the support of development partners:

- 1) The construction of the natural gas transport pipeline on the route Ungheni-Chisinau, to be implemented with the support of the Romanian partners;
- 2) Interconnection of the Moldovan with the Romanian power system through the construction of Vulcanesti-Chisinau power line;
- 3) Restoring electrical networks, which involves modernisation and refitting of the electrical infrastructure;
- 4) Implementing energy efficiency measures by rehabilitating heated and / or cooled buildings.

Agriculture

118. The Moldovan agriculture is volatile and very vulnerable to risks, being susceptible to natural factors such as frosts, floods, drought, erosion and hail. Reducing the vulnerability to such phenomena is a major challenge for the medium and long terms. The main challenges for the medium term include:

- 1) The low level of competitiveness of agricultural products;
- 2) Insufficient investment and capital;

- 3) Lack of sales infrastructure, both at national and local levels;
- 4) Lack of product diversity;
- 5) Excessive fragmentation of agricultural land, which contributes to the decrease of the of production performance through the non-compliance with the cultivation technologies and soil degradation;
- 6) High vulnerability to climate changes;
- 7) Inaccessible agricultural inputs;
- 8) The impossibility of expanding the irrigation systems as a risk control measure.

119. The Government will continue to support the agricultural sector as a matter of priority in the implementation of the National Agriculture and Rural Development Strategy for the 2014-2020 period, for the purpose of further implementation of reforms and support of the agricultural sector through the National Fund for Agriculture and Rural Development, as well as through the significant financial support of external donors.

120. For the 2019-21 MTBF period, the following key priorities have been identified in this area:

- 1) Increasing the share of value-added agricultural products;
- 2) Increasing the competitiveness of the agri-food sector through market restructuring and modernisation;
- 3) Ensuring sustainable management of natural resources in agriculture;
- 4) Improving living standards in rural areas by increasing the share of value-added agricultural products;
- 5) Supporting farming and water management practices;
- 6) Supporting environment-friendly production technologies, organic products, including biodiversity.

121. The following measures are to be implemented:

- 1) The National Fund for the Development of Agriculture and the Rural Environment will continue to provide subsidies to agricultural producers within strategically important areas;
- 2) The Competitive Agriculture project will channel grants to agricultural producers and producer groups;
- 3) The Rural Including Eco-Climate Programme (IFAD VI) and the Rural Resilience Programme (IFAD VII);
- 4) The "Livada Moldovei" (Moldovan Orchard) Project supporting the horticulture producers.

Transport and road infrastructure

122. The transport and road infrastructure sector include five of the most important branches of the national real economy, including: motor vehicle transport, rail transport, naval and air transport and road transport.

123. The quality of transport infrastructure is widely perceived as an important element of competitiveness and business environment in general and is therefore an important factor in attracting investment and ensuring export competitiveness. Poor road conditions are seen as a major constraint hampering economic development and require substantial public investment. Moreover, adequate road infrastructure is a precondition for smooth regional development and public access to public services. In the future, following the establishment of the Deep and Comprehensive Free Trade Area between the Republic of Moldova and the European Union, road infrastructure will be essential for the exploitation of the local producers' export potential.

124. The main issues and challenges in this field are the following:

- 1) Poor condition of the national and local roads infrastructure;
- 2) Lack of modern equipment for national and local roads maintenance;
- 3) Poor condition of the railway infrastructure objects;
- 4) Poor condition of the inland waterway infrastructure;
- 5) Lack of a road safety authority.

125. For the 2019-21 period, several priorities have been identified to be implemented with the support of external donors, notably the World Bank and the European Bank for Reconstruction and Development:

- 1) Ensure the development and implementation of sustainable national transport policy and road infrastructure;
- 2) Ensure the development and maintenance of public road infrastructure under maximum safety conditions;
- 3) Shipping revitalisation and development;
- 4) Railway transport revitalisation and development, which involves the implementation of the restructuring and reorganisation project of the "Calea Ferată din Moldova" (Moldovan Railways) S.E.;
- 5) Establishing the authority for road traffic monitoring and control.

126. During the MTBF period, this sector will be financed through the Road Fund intended for the maintenance, repair and reconstruction of national and local public roads, through the "Good Roads for Moldova" National Programme and from the funds of external donors intended especially for the reconstruction and construction of new roads.

127. In order to achieve these priorities, measures beyond the mere allocation of public financial resources are required. It is necessary to explore the potential of public-private partnership in the field of road infrastructure and logistics services related to transport services and services

related to the road infrastructure. The Government is also focused on road network management. Cutting administrative costs to the standards prescribed by the legislation is a source of savings that can lead to a more adequate execution of maintenance works.

Water Supply and Sewage Sector

128. The water supply and sewage sector is part of the household and housing sector, which creates daily life conditions for the Moldovan citizens.

129. The main issues and challenges in this sector are the following:

- 1) Low access of the population (especially in rural zones) to safe water sources and sewage systems that affect living conditions and pose risks of diseases caused by non-compliant drinking water;
- 2) Water and sanitation infrastructure in the field of waste water treatment that is obsolete and requires rehabilitation and modernisation;
- 3) Insufficient investment, lack of private sector interest to invest in the development of water supply and sewerage infrastructure, insufficient absorption capacity for utilising funds targeted in this sector.

130. In order to reduce the impact of these challenges, the following priorities were identified for the 2019-21 MTBF period:

- 1) Gradual provision of adequate access to safe water and sanitation for all localities and population of the Republic of Moldova, thus improving health, dignity and quality of life and the country's economic development;
- 2) Ensure the treatment of urban waste water in accordance with the requirements of Directive 91/271/EEC;
- 3) Extend the centralised water supply and sewerage systems in the context of the service regionalisation.

131. For the period mentioned, the Government aims to implement major capital investment projects with the support of the development partners:

- 1) The water supply programme in Cahul District;
- 2) Further implementation of the water supply and sewerage programmes through the National Fund for Regional Development.

Health

132. Over the past few years, more achievements have been recorded following the priorities established for the health system. These contribute directly to continuous improvement of the population's health, the protection of citizens from the financial risks in accessing qualitative health services, the reduction of inequalities in the use and distribution of services and satisfaction of beneficiaries.

133. Despite the achievements, several issues have been identified in the health system, such as the high prevalence of communicable and non-communicable diseases, insufficient medical

staff, low efficiency of healthcare providers due to overcapacity and inefficient use of resources, insufficient health insurance, etc.

134. In order to ensure the continuity of the initiated reforms aimed at increasing the access to and quality of medical services, for the MTBF 2019-21 period the following priorities are identified in this area:

- 1) The Public Health Service reform;
- 2) Control of communicable and non-communicable diseases;
- 3) Development of emergency care;
- 4) Modernisation of primary health care;
- 5) Hospital care reform.

135. Health allocations are likely to increase in the medium term. Given that public funding is high compared to countries with similar economic development, it is still necessary to make more efficient use of government resources within the available budget.

136. Therefore, during the MTBF period, sector funding will be made by means of the compulsory health insurance premiums in percentage amount and the fixed amounts, the state budget and local budgets.

137. Estimates of medium-term expenditures for the given sector for the 2018-2021 period are presented in Table 4.4.

Table 4.4
Medium-term expenditure for the healthcare sector 2018-2021

(MDL million)

	2018	2019	2020	2021
	Approved	Approved	Forecast	Forecast
NBP Expenditure, total	7941,4	8494,8	8925,3	9466,8
State budget	3893,3	4084,2	4132,0	4227,9
<i>including transfers from the state budget to FAOAM</i>	<i>2728,0</i>	<i>2854,6</i>	<i>2947,5</i>	<i>3095,0</i>
Compulsory medical insurance fund	6659,0	7124,1	7596,2	8185,2
Local budgets	117,1	141,1	144,6	148,7

138. The main share of financial resources for 2018 come from the compulsory health insurance contributions in percentage and fixed amount, representing 49,5%, followed by the funds transferred from the state budget – 49,0 % and the means of local budgets – 1,5%.

Education

139. Negative demographic trends pose problems of excess capacity in the network of educational institutions, especially in general education, which leads to inefficient use of resources and does not allow investment in modernising and equipping schools. Given that the school population has decreased over the last 10 years by over 30%, the problem of access to studies persists due to various factors at different levels of education.

140. For the 2019-21 period, the main challenges can be highlighted:

Limited relevance of studies for life and the national economy in the context of life skills formation and the achievement of educational outcomes;

The need to develop lifelong learning processes by implementing a new approach and new forms of training, starting with the need to strengthen the lifelong learning system in terms of general training and continuous vocational training;

The need to increase the efficiency of the use of budget resources in terms of improving the financing models in education;

Limited access to quality education services and the need to streamline the educational process.

141. It is worth mentioning that the sector foresees measures to increase the salaries of teachers with the aim of attracting and retaining human capital in this field. To this end, an additional 1.3 billion MDL will be allocated during the 2019-2021 MTBF period. At the same time, the financial provision for feeding children / pupils in educational institutions is expected to increase with two projects financed from external sources to be implemented starting in 2019. For the MTBF period, the volume of allocations will amount, on average, to 6.0% of GDP.

142. The main priorities that have been identified in the medium-term are the following:

- 1) Ensuring the relevance of studies for life and the national economy;
- 2) Strengthening the lifelong learning system in terms of general training and continuous vocational training;
- 3) Institutional consolidation and improvement of education funding models;
- 4) Ensuring access to quality education and streamlining the educational process.

Social protection

143. The social protection sector implies complex and multidimensional reforms, implementation of which requires a balance between economic reforms and financial support. The need to accelerate reforms in the field of social protection results from its major impact on poverty reduction by ensuring social security for people with disabilities, supporting families with children, increasing birth rates and addressing the demographic challenge.

Social insurance

144. Currently, this system faces problems conditioned by the negative evolution of the demographic indicators in recent years, the decrease of the ratio between taxpayers and pensioners, the fragility of the financial sustainability of this system and the creation of a deficit which became permanent since 2009. In this context, an important achievement of the authorities will be the implementation of the retirement reform that started in 2017.

Social assistance

145. The 2017-2022 National Programme for Social Inclusion of Persons with Disabilities will be implemented, as these persons face limited access to social infrastructure and education services, employment obstacles and limitations. At the same time, it is proposed to include new actions in the National Program for deinstitutionalisation of people with disabilities.

146. In the area of family and child protection it is required to provide the necessary conditions for raising and educating children in the family environment. Measures are needed to

standardize and increase benefits to children left without parental care in alternative family-type services, adjusting these benefits according to the special needs of the children placed. To this end, allowances for families with children as well as benefits for children placed in community-based services are to be increased.

147. In the existing social assistance system, policies are focused on helping the most disadvantaged families, with emphasis on empowering social assistance beneficiaries to make use of the benefit according to family needs. An increased emphasis is also being placed on the involvement of social assistance beneficiaries in activities of community interest by the local government authorities.

148. The need for demographic policies is reflected in the recent demographic trends, which currently do not ensure demographic stability and pose a threat to the sustainable development of the country. With a view to improving the situation, it is proposed to implement the employment reform, improve labour market governance, develop new active measures, develop people-centred and evidence-based policies by conducting a Family Structure Survey based on international methodology and practice

149. For the 2019-21 period, it is proposed to continue the reforms launched in recent years, focusing on the following priorities:

- 1) The sustainability of the public social insurance system;
- 2) The reform on social inclusion of people with disabilities;
- 3) Improving policies for financial support of families with children and protection of children at risk and children separated from parents;
- 4) Social support for low-income and older people.

150. Financing of the social protection sector, presented in the Table below, is being made available for 2018 through the state social insurance budget (59.9%), the state budget (36.4 %) and local government budgets (3.7%).

Table 4.5
Medium-term expenditure for the social protection sector 2018-2021

(MDL million)

	2018 Approved	2019 Forecast	2020 Forecast	2021 Forecast
NPB Expenditure, total	20948,6	22574,0	23834,5	25011,0
State budget	7627,9	7883,4	7869,6	7558,2
<i>including transfers from state budget to BASS</i>	6758,5	6863,5	6815,5	6500,3
<i>including transfers from state budget to local budgets</i>	278,6	315,9	338,4	356,7
Social Insurance Fund	19312,5	20713,1	21910,6	23048,3
Local budgets	1045,3	1156,9	1208,2	1261,5

Employment policies

151. The implementation of the strategic framework in this field will contribute to creating employment opportunities, increasing labour market competitiveness and reducing the gap between labour supply and demand, improving labour market governance and better management of migration. This will be achieved by implementing new active measures such as

vocational training at work, internships, subsidised employment, subsidising economic agents, employing people with disabilities, supporting self-employment, supporting local initiatives, etc.

Culture, sport and youth

152. The main policy priorities and actions in the sector derive from the commitments made in the sectoral and national policy documents, in particular the Action Plan for the implementation of the Culture Development Strategy "Culture 2020" approved by the Government Decision no. 271/2014. The following medium-term priorities have been identified:

- 1) Development of the cultural institutions' infrastructure;
- 2) Safeguarding and promoting the national cultural heritage;
- 3) Supporting the development of creative industries.

153. In order to achieve these priorities, the Government ensures the functioning of cultural institutions, organises and conducts various national holidays and large-scale events. It also provides subsidies for the theatrical-concerts institutions, the public broadcaster "Tele radio-Moldova" and also supports the cultural projects/programmes of public associations.

154. The main medium-term challenges of the sector are the following:

- 1) Continuous degradation of the cultural heritage of the Republic of Moldova;
- 2) Lack of legal mechanisms to ensure the integrity of the national cultural heritage.

155. The main policy priorities and actions in the Youth and Sport sector derives from the commitments made in sectoral and national policy documents, in particular the Action Plan for the implementation of the National Youth Development Strategy 2020, approved by the Government Decision no. 1006/2014.

156. As medium-term priorities in the field of youth and sport the following have been identified:

- 1) Increasing the level of involvement of young people in decision-making processes and developing youth services;
- 2) Modernising sports infrastructure and supporting performance and grass sports.

In the field of youth and sport, the major challenges faced by the sector are the unsatisfactory conditions for organizing and conducting training and competitions in sports facilities, poor support mechanisms for performance athletes.

Science and Innovation

157. In the development of Science and Innovation sectoral policies for the 2019-21 period, a concise and realistic analysis of the key challenges and priority actions was prepared. This covered the activities in the Ministry of Education, Culture and Research, the Ministry of Agriculture, Regional Development and Environment, the Ministry of Health, Labour and Social Protection, the National Agency for Research and Development, the Academy of Sciences of Moldova, the State Protection and Surveillance Service and local budgets (ATU Gagauzia Chimishlia).

158. Expenditures for the sector during the 2019-21 MTBF period are provided in an average amount of MDL 479,8 million, with an average increase of MDL 0,9 million compared to 2018. Resources allocated to science and education are forecast to increase compared to 2018 due to the increase in wage costs, the increase in the costs of servicing and repairing the building infrastructure.

159. The Research & Development Strategy of the Republic of Moldova until 2020 (Government Decision no. 920/2014) and the Innovation Strategy of the Republic of Moldova for the 2013-2020 period “Innovation for Competitiveness” (Government Decision no.952/2013) include:

- Governance of research and development on the basis of a consensual management model, focused on performance and excellence;
- Developing human, institutional and infrastructure capacities;
- Defining and managing research priorities;
- Ongoing dialogue between science and society;
- Sharing knowledge and implementing in practice the research results;
- Internationalisation of research, integration into the European research area, and raising the international profile.

In order to achieve the listed objectives, it is expected to review the full mechanism of the policy-making process, policies' implementation and funds' management in research and innovation.

160. The ultimate goal of these reform measures is to develop a system capable to create high-performing scientific knowledge in order to increase the competitiveness of the national economy and the welfare of the population.

D. Capital investment projects

161. The capital investment projects in terms of funding sources and sector breakdown are presented in the table below:

Table 4.6

Capital investment programme of the state budget by funding sources and sectors 2018-2021

		2018	2019	2020	2021	2018	2019	2020	2021
		Approved	Forecast	Forecast	Forecast	Approved	Forecast	Forecast	Forecast
		MDL million				% in total			
Total		3336693,3	2804333,5	3533302,5	2233709,3	100,0	100,0	100,0	100,0
Sources of financing	Internal	150501,4	289757,8	347018,9	318855,8	4,5	10,3	9,8	14,3
	Government contribution	146438,5	69978,1	125086,1	115862,9	4,4	2,5	3,5	5,2
	Budget support	202062,4	100358,6	61007,0	27000,0	6,1	3,6	1,7	1,2
	External sources	2837691,0	2344239,0	3000190,5	713291,8	85,0	83,6	84,9	31,9
	External sources (<i>development projects reserve</i>)				1058698,8				47,4
Total		3336693,3	2804333,5	3533302,5	2233709,3	100,0	100,0	100,0	100,0
<i>Of which:</i>									
Sectors	1 General Public Services	68403,2	59983,2	35705,8	13587,0	2,1	2,1	1,0	0,6
	2 External Affairs		10000,0	15000,0	16518,8		0,4	0,4	0,7
	6 Public Order	123456,4	125010,9	40253,1	9000,0	3,7	4,5	1,1	0,40
	7 Justice	50146,3	62531,2	135000,0	140000,0	1,5	2,2	3,8	6,3
	8 Penitentiary	172567,4	209036,6	490695,8	470347,0	5,2	7,5	13,9	21,1
	9 General Economic Services	200000,0				6,0			
	10 Agriculture	50122,3	43075,2	29165,6	22324,9	1,5	1,5	0,8	1,0
	11 Energy	133132,8	3392,3			4,0	0,1		
	13 Transport	2244575,4	1985787,6	2599709,1	383861,9	67,3	70,8	73,6	17,2
	16 Environment Protection		26322,8	19207,6	2620,9		0,9	0,5	0,1
	17 Household Utility	97697,8	35844,7			2,9	1,3		
	18 Health	6311,8	37192,2	26319,7	23250,0	0,2	1,3	0,7	1,0
	19 Youth and Sport	2000,0	8800,0	14460,8	10000,0	0,1	0,3	0,4	0,4
	20 Culture	25000,0	40000,0	40000,0	45000,0	0,7	1,4	1,1	2,0
21 Education	146894,6	156356,8	87785,0	38500,0	4,4	5,6	2,5	1,7	
22 Social Protection	16385,3	1000,0			0,5	0,04			

162. The public capital investments management reform started with the approval of the regulatory framework in this field as well as the approval by the Minister of Finance of the Instruction on the management of the capital investment projects. All these activities are aimed at establishing a uniform and transparent methodology for the examination and prioritisation of projects.

163. The next step is to create a standardised database of capital investment projects, which is currently in progress, and represents an indispensable analytical tool in the process of analysing and prioritising projects. At the end of 2017, the "Registry of Capital Investment Projects" (RCIP) information system was developed and during the period of January–June 2018 this registry was filled in with around 112 unfinished projects. At the same time, work continues on preparing the methodology for analysis and elimination of the projects that have lost priority (*portfolio cleaning*).

ANNEXES

Annex No.1

Forecast of macroeconomic indicators for the period of 2018-2021

(coordinated with the International Monetary Fund)

Indicators	Unit	2016	2017	2018		2019	2020	2021
		Actual	Actual	Forecast	Estimated	Forecast	Forecast	Forecast
Gross Domestic Product nominal	MDL billion	135,4	150,4	160,1	163,0	177,9	193,9	211,5
Compared to the previous year at constant prices	%	104,5	104,5	103,0	103,8	103,8	103,8	104,0
Consumer Price Index								
Annual average	%	106,4	106,6	104,3	104,1	104,7	105,0	105,0
At the end of the year	%	102,4	107,3	103,5	102,5	105,7	104,2	105,8
Exchange rate								
Annual average	MDL/USD	19,92	18,49	17,68	16,83	16,99	17,97	18,51
At the end of the year	MDL/USD	19,98	17,10	17,90	16,79	17,35	18,32	18,54
Exports	MDL/USD	2045,3	2425	2540	2790	3052	3245	3430
Compared to the previous year	%	104,0	119,0	108,0	115,0	109,4	106,3	105,7
Imports	MDL/USD	4020,3	4831	5100	5670	6130	6480	6805
Compared to the previous year	%	100,8	120	106,0	117,4	108,1	105,7	105,0
Trade Balance	MDL/USD	-1975	-2406	-2560	-2880	-	-3235	-3375
Industrial Production at current prices	MDL billion	47,6	50,8*	52,0	54,7	57,5	61,0	65,6
Compared to the previous year at constant prices	%	100,9	103,4	105,0	105,5	103,5	104,0	105,5
Agricultural production at current prices	MDL billion	30,5	32,4	32,5	33,1	34,6	36,4	38,5
Compared to the previous year at constant prices	%	118,8	108,6	101,0	102,1	103,0	103,0	103,6
Investment in Long-Term assets	MDL billion	19,7	20,8	21,9	22,2	23,5	24,8	26,6
Compared to the previous year at constant prices	%	87,2	101,3	104,0	104,3	103,4	103,7	104,9
Average Monthly Wage	lei	5084	5697	6150	6180	6650	7250	7950
Compared to the previous year: nominal	%	110,3	112,1	107,9	108,5	107,6	109,0	109,7
Real	%	103,6	105,1	103,4	104,2	102,8	103,8	104,4
Wages Fund	MDL billion	35,6	40,0*	42,6	43,2	46,7	50,7	55,5
Compared to the previous year: Nominal	%	108,1	112,3*	107,2	107,8	108,1	108,7	109,4
Real	%	101,6	105,4*	102,8	103,6	103,3	103,5	104,2

* estimates of the Ministry of Economy and Infrastructure

Estimates of the National Public Budget, 2016-2021

MDL million

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	45953,9	53377,6	56999,6	62157,4	66959,8	72611,4
TAXES AND FEES	29231,2	34475,8	35448,0	39905,1	43692,8	47526,1
INCOME TAX	6544,1	7722,8	8333,3	9388,9	10386,8	11498,2
<i>Personal income tax</i>	3181,5	3648,9	3852,3	4251,7	4626,1	5059,2
<i>Corporate tax</i>	3362,6	4073,9	4481,0	5137,2	5760,7	6439,0
TAXES ON PROPERTY	403,5	546,2	542,6	576,5	587,5	598,5
<i>Land tax</i>	184,6	193,6	185,0	195,0	195,0	195,0
<i>Immovable property tax</i>	179,6	306,0	297,0	320,0	330,0	340,0
<i>Private tax</i>	4,5	3,1	3,1	8,5	8,5	8,5
<i>Wealth tax</i>	34,8	43,5	57,5	53,0	54,0	55,0
TAXES AND DUTIES ON GOODS AND SERVICES	20831,8	24615,7	24974,2	28091,0	30656,5	33264,7
Value Added Tax	14563,6	16870,1	17299,5	19611,1	21583,8	23423,3
<i>Value Added Tax to the goods and services provided on the territory of the Republic of Moldova</i>	5374,2	6286,5	6660,0	7464,0	8100,2	8810,1
<i>Value Added Tax on Imported Goods</i>	11761,0	13226,2	13289,0	15350,0	16974,4	18420,3
<i>Value Added Tax Refund</i>	-2571,6	-2642,6	-2649,5	-3202,9	-3490,8	-3807,1
Excise	4546,6	5950,0	5903,2	6666,7	7235,8	7981,2
<i>Excise duties on goods produced on the territory of the Republic of Moldova</i>	532,0	576,8	570,7	618,2	657,1	685,3
<i>Excise duties on imported goods</i>	4181,6	5585,8	5539,1	6283,0	6825,6	7555,2
<i>Reimbursement of excise duty</i>	-167,0	-212,6	-206,6	-234,5	-246,9	-259,3
Fees for specific services	407,7	423,0	409,6	451,5	462,0	472,4
Fees and payments on permission to use goods, or perform certain activities	471,2	455,1	426,9	403,9	410,9	417,4
Other taxes for goods and services	842,7	917,5	935,0	957,8	964,0	970,4
<i>Road tax</i>	663,7	858,3	771,8	771,8	771,8	771,8
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	1451,8	1591,1	1597,9	1848,7	2062,0	2164,7

MANDATORY SOCIAL INSURANCE PREMIUMS AND CONTRIBUTIONS	13276,8	15512,4	16469,7	18072,0	19693,9	21585,1
STATE SOCIAL INSURANCE CONTRIBUTIONS	10036,6	11864,0	12546,0	13815,6	15058,7	16508,9
MANDATORY HEALTH INSURANCE	3240,2	3648,4	3923,7	4256,4	4635,2	5076,2
GRANTS	1372,4	1008,8	2830,0	1493,5	957,7	720,1
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	188,1	64,3	56,4	28,5	21,0	11,1
GRANTS FROM INTERNATIONAL ORGANISATIONS	1184,3	944,5	2773,6	1465,0	936,7	709,0
OTHER REVENUE	2073,5	2380,6	2251,9	2686,8	2615,4	2780,1
Of which						
REVENUE FROM PROPERTY	351,6	425,4	502,9	479,1	487,6	475,1
REVENUE FROM THE SALE OF GOODS AND SERVICES	1365,0	1394,3	1356,3	1449,5	1446,4	1467,7
II. EXPENDITURES	48462,6	54522,4	61713,5	67896,1	72383,7	77422,7
<i>Recurrent expenditures</i>	<i>46967,4</i>	<i>53208,3</i>	<i>58269,7</i>	<i>64955,1</i>	<i>68707,5</i>	<i>75041,1</i>
<i>Capital investment</i>	<i>1495,2</i>	<i>1314,1</i>	<i>3443,8</i>	<i>2941,0</i>	<i>3676,2</i>	<i>2381,6</i>
General State Services	2753,9	2986,2	3691,0	4210,5	4165,5	4061,5
<i>Recurrent expenditures</i>	<i>2732,0</i>	<i>2961,9</i>	<i>3621,0</i>	<i>4149,4</i>	<i>4128,7</i>	<i>4046,8</i>
<i>Capital investment</i>	<i>21,9</i>	<i>24,3</i>	<i>70,0</i>	<i>61,1</i>	<i>36,8</i>	<i>14,7</i>
External Affairs	375,0	454,9	447,8	459,4	473,6	489,8
<i>Recurrent expenditures</i>	<i>375,0</i>	<i>454,9</i>	<i>447,8</i>	<i>449,4</i>	<i>458,6</i>	<i>473,3</i>
<i>Capital investment</i>				<i>10,0</i>	<i>15,0</i>	<i>16,5</i>
Debt service	1810,5	1958,4	1885,8	2071,8	2201,1	2310,6
<i>Recurrent expenditures</i>	<i>1810,5</i>	<i>1958,4</i>	<i>1885,8</i>	<i>2071,8</i>	<i>2201,1</i>	<i>2310,6</i>
<i>Capital investment</i>						
National defence	547,3	571,2	628,3	772,2	893,4	987,8
<i>Recurrent expenditures</i>	<i>547,3</i>	<i>571,2</i>	<i>628,3</i>	<i>772,2</i>	<i>893,4</i>	<i>987,8</i>
<i>Capital investment</i>						
Public Order	2303,1	2762,3	2875,0	3230,5	3126,5	3016,0
<i>Recurrent expenditures</i>	<i>2288,4</i>	<i>2730,2</i>	<i>2751,5</i>	<i>3105,5</i>	<i>3086,3</i>	<i>3007,0</i>
<i>Capital investment</i>	<i>14,7</i>	<i>32,1</i>	<i>123,5</i>	<i>125,0</i>	<i>40,2</i>	<i>9,0</i>
Justice	644,2	832,4	905,2	1026,5	1154,6	1208,5
<i>Recurrent expenditures</i>	<i>602,6</i>	<i>773,7</i>	<i>855,1</i>	<i>964,0</i>	<i>1019,6</i>	<i>1068,5</i>
<i>Capital investment</i>	<i>41,6</i>	<i>58,7</i>	<i>50,1</i>	<i>62,5</i>	<i>135,0</i>	<i>140,0</i>
Penitentiaries	394,3	461,3	673,2	738,7	1015,9	982,1
<i>Recurrent expenditures</i>	<i>367,5</i>	<i>445,6</i>	<i>500,6</i>	<i>529,7</i>	<i>525,2</i>	<i>511,8</i>
<i>Capital investment</i>	<i>26,8</i>	<i>15,7</i>	<i>172,6</i>	<i>209,0</i>	<i>490,7</i>	<i>470,3</i>
General Economic Services	290,6	352,4	612,5	457,6	519,8	482,4
<i>Recurrent expenditures</i>	<i>289,5</i>	<i>350,8</i>	<i>412,5</i>	<i>457,6</i>	<i>519,8</i>	<i>482,4</i>
<i>Capital investment</i>	<i>1,1</i>	<i>1,6</i>	<i>200,0</i>			
Agriculture	1340,6	1646,5	1851,9	1703,8	1602,4	1593,9
<i>Recurrent expenditures</i>	<i>1294,9</i>	<i>1583,1</i>	<i>1801,0</i>	<i>1659,8</i>	<i>1572,3</i>	<i>1570,7</i>
<i>Capital investment</i>	<i>45,7</i>	<i>63,4</i>	<i>50,9</i>	<i>44,0</i>	<i>30,1</i>	<i>23,2</i>

Energy	157,9	220,9	254,4	792,4	1102,1	784,6
<i>Recurrent expenditures</i>	83,3	194,9	121,3	783,2	1096,2	778,7
<i>Capital investment</i>	74,6	26,0	133,1	9,2	5,9	5,9
Mining, Manufacturing and Construction	61,8	58,0	40,9	75,8	77,2	78,6
<i>Recurrent expenditures</i>	60,6	58,0	40,9	68,4	69,8	71,2
<i>Capital investment</i>	1,2			7,4	7,4	7,4
Transports	2573,1	2969,5	4825,7	5222,4	5821,7	3727,8
<i>Recurrent expenditures</i>	1924,7	2523,4	2581,1	3229,7	3215,1	3337,0
<i>Capital investment</i>	648,4	446,1	2244,6	1992,7	2606,6	390,8
Communications		4,8	4,9	92,5	86,0	77,0
<i>Recurrent expenditures</i>		4,8	4,9	92,5	86,0	77,0
Tourism	10,1	18,9	19,7	19,8	19,8	19,9
<i>Recurrent expenditures</i>	10,1	18,9	19,7	19,8	19,8	19,9
<i>Capital investment</i>						
Environment Protection	172,3	146,7	182,5	266,9	272,6	252,6
<i>Recurrent expenditures</i>	159,1	126,3	182,5	227,5	240,4	237,0
<i>Capital investment</i>	13,2	20,4		39,4	32,2	15,6
Housing and Community Amenities	1141,2	1315,3	1611,8	1581,8	1572,5	1603,0
<i>Recurrent expenditures</i>	669,6	924,6	1499,9	1490,2	1510,5	1536,0
<i>Capital investment</i>	471,6	390,7	111,9	91,6	62,0	67,0
Health	6470,8	7247,7	7941,4	8494,8	8925,3	9466,8
<i>Recurrent expenditures</i>	6464,9	7245,0	7931,1	8450,1	8891,5	9436,0
<i>Capital investment</i>	5,9	2,7	10,3	44,7	33,8	30,8
Youth and Sport	353,2	401,8	410,0	435,5	460,7	498,5
<i>Recurrent expenditures</i>	346,6	376,8	370,5	410,7	430,2	472,5
<i>Capital investment</i>	6,6	25,0	39,5	24,8	30,5	26,0
Culture	823,4	936,5	996,2	1106,5	1117,5	1137,8
<i>Recurrent expenditures</i>	767,3	900,6	940,2	1062,5	1073,5	1088,8
<i>Capital investment</i>	56,1	35,9	56,0	44,0	44,0	49,0
Education	8556,6	9682,0	10433,4	11195,9	11468,9	12007,2
<i>Recurrent expenditures</i>	8501,1	9523,7	10272,8	11025,7	11367,3	11954,9
<i>Capital investment</i>	55,5	158,3	160,6	170,2	101,6	52,3
Social Protection	17265,5	19063,3	20948,6	22574,0	23834,5	25011,0
<i>Recurrent expenditures</i>	17255,2	19050,4	20927,9	22568,6	23830,1	25006,6
<i>Capital investment</i>	10,3	12,9	20,7	5,4	4,4	4,4
Science and Innovation	417,2	431,4	473,3	484,7	478,8	475,9
<i>Recurrent expenditures</i>	417,2	431,1	473,3	484,7	478,8	475,9
<i>Capital investment</i>		0,3				
Increase of Wages and Structural Reforms				882,1	1993,3	7149,4
<i>Recurrent expenditures</i>				882,1	1993,3	6090,7
<i>Capital investment</i>						1058,7
III. Budget Balance (1-2)	-2508,7	-1144,8	-4713,9	-5738,7	-5423,9	-4811,3
IV. Funds, total (4+5+9)	2508,7	1144,8	4713,9	5738,7	5423,9	4811,3
FINANCIAL ASSETS	338,7	-233,9	-51,3	88,5	-609,6	22,1
INTERNAL ACCOUNTS RECEIVABLES	402,3	369,1	963,0	1036,7	876,6	1216,4

<i>Shares and other types of equity participation within the country, total</i>	318,6	158,5	263,0	336,7	176,6	516,4
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	-18,4	-15,2	-129,0	-363,3	-523,4	-183,6
<i>Privatization of public property</i>	337,0	173,7	392,0	700,0	700,0	700,0
<i>Other internal accounts receivables of the budget</i>	83,7	210,6	700,0	700,0	700,0	700,0
CHANGES IN FOREIGN EXCHANGE RATES	-71,5	-99,5				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	276,6					
DOMESTIC ON-LENDING BETWEEN BUDGETS	33,5					
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-324,6	-554,2	-1015,2	-949,3	-1487,8	-1196,3
<i>On-lending to non-financial institutions</i>	-284,3	-274,3	-508,7	-457,7	-1157,9	-891,0
<i>On-lending to financial institutions</i>	-40,3	-279,9	-506,5	-491,6	-329,9	-305,3
EXTERNAL ACCOUNTS RECEIVABLES	22,4	13,2	0,9	1,1	1,6	2,0
<i>External Guarantees</i>	22,4	13,2	0,9	1,1	1,6	2,0
DEBTS	3770,8	3383,1	5487,6	4529,1	6031,4	4638,6
DOMESTIC DEBT	993,0	1118,4	-260,0	990,0	2665,0	2610,0
GOVERNMENT SECURITIES ISSUED ON PRIMARY MARKET	953,0	600,9		1270,0	2955,0	2920,0
DOMESTIC BORROWING BETWEEN BUDGETS	-276,6	59,5				
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-404,6	-47,1	150	20	-6,7	-6,7
DOMESTIC ON-LENDING BETWEEN BUDGETS	-33,5					
EXTERNAL/FOREIGN LOANS	3492,5	2349,3	5597,6	3519,1	3373,1	2035,3
<i>Receiving Foreign Loan</i>	4646,3	3724,1	7974,9	6245,5	6492,2	5132,9
<i>Foreign Loan Repayment</i>	-1153,8	-1374,8	-2377,3	-2726,4	-3119,1	-3097,6
CHANGES OF CASH FLOW BUDGET	-1600,8	-2004,4	-722,4	1121,1	2,1	150,6

Estimates of the National Public Budget, 2016-2021

Indicators	Executed	Executed	Approved	Share in GDP (%)		
				Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	33,9	35,5	35,6	34,9	34,5	34,3
TAXES AND FEES	21,6	22,9	22,1	22,4	22,5	22,5
INCOME TAX	4,8	5,1	5,2	5,3	5,4	5,4
<i>Personal income tax</i>	2,3	2,4	2,4	2,4	2,4	2,4
<i>Corporate tax</i>	2,5	2,7	2,8	2,9	3,0	3,0
PROPERTY TAX	0,3	0,4	0,3	0,3	0,3	0,3
<i>Land tax</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Tax on immovable property</i>	0,1	0,2	0,2	0,2	0,2	0,2
<i>Private tax</i>	0,003	0,002	0,002	0,005	0,004	0,004
<i>Wealth tax</i>	0,0	0,0	0,0	0,0	0,0	0,0
TAXES AND FEES ON GOODS AND SERVICES	15,4	16,4	15,6	15,8	15,8	15,7
Value Added Tax	10,8	11,2	10,8	11,0	11,1	11,1
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	4,0	4,2	4,2	4,2	4,2	4,2
<i>Value added tax on imported goods</i>	8,7	8,8	8,3	8,6	8,8	8,7
<i>Value Added Tax Refunds</i>	-1,9	-1,8	-1,7	-1,8	-1,8	-1,8
Excise	3,4	4,0	3,7	3,7	3,7	3,8
<i>Excise on goods and services produced on the territory of the Republic of Moldova</i>	0,4	0,4	0,4	0,3	0,3	0,3
<i>Excise on imported goods</i>	3,1	3,7	3,5	3,5	3,5	3,6
<i>Excise Duty Refunds</i>	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1
Fees for specific services	0,3	0,3	0,3	0,3	0,2	0,2
Fees and payments on permission to use goods, or perform certain activities	0,3	0,3	0,3	0,2	0,2	0,2
Other fees for goods and services	0,6	0,6	0,6	0,5	0,5	0,5
<i>Road tax</i>	0,5	0,6	0,5	0,4	0,4	0,4
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	1,1	1,1	1,0	1,0	1,1	1,0
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	9,8	10,3	10,3	10,2	10,2	10,2
SOCIAL INSURANCE CONTRIBUTIONS	7,4	7,9	7,8	7,8	7,8	7,8
PRIME DE ASIGURARE OBLIGATORIE DE ASISTENȚĂ MEDICALĂ	2,4	2,4	2,5	2,4	2,4	2,4
GRANTS	1,0	0,7	1,8	0,8	0,5	0,3
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,1	0,0	0,0	0,0	0,0	0,0
GRANTS FROM INTERNATIONAL ORGANISATIONS	0,9	0,6	1,7	0,8	0,5	0,3
OTHER REVENUE	1,5	1,6	1,4	1,5	1,3	1,3
of which						
REVENUE FROM PROPERTY	0,3	0,3	0,3	0,3	0,3	0,2

REVENUE FROM THE SALE OF GOODS AND SERVICES	1,0	0,9	0,8	0,8	0,7	0,7
II. EXPENDITURES	35,8	36,3	38,5	38,2	37,3	36,6
<i>Recurrent expenditures</i>	34,7	35,4	36,4	36,5	35,4	35,5
<i>Capital investment</i>	1,1	0,9	2,2	1,7	1,9	1,1
General State Services	2,0	2,0	2,3	2,4	2,1	1,9
<i>Recurrent expenditures</i>	2,0	2,0	2,3	2,3	2,1	1,9
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
External Affairs	0,3	0,3	0,3	0,3	0,2	0,2
<i>Recurrent expenditures</i>	0,3	0,3	0,3	0,3	0,2	0,2
<i>Capital investment</i>				0,0	0,0	0,0
Debt service	1,3	1,3	1,2	1,2	1,1	1,1
<i>Recurrent expenditures</i>	1,3	1,3	1,2	1,2	1,1	1,1
<i>Capital investment</i>						
National defence	0,4	0,4	0,4	0,4	0,5	0,5
<i>Recurrent expenditures</i>	0,4	0,4	0,4	0,4	0,5	0,5
<i>Capital investment</i>						
Public Order	1,7	1,8	1,8	1,8	1,6	1,4
<i>Recurrent expenditures</i>	1,7	1,8	1,7	1,7	1,6	1,4
<i>Capital investment</i>	0,0	0,0	0,1	0,1	0,0	0,0
Justice	0,5	0,6	0,6	0,6	0,6	0,6
<i>Recurrent expenditures</i>	0,4	0,5	0,5	0,5	0,5	0,5
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,1	0,1
Penitentiaries	0,3	0,3	0,4	0,4	0,5	0,5
<i>Recurrent expenditures</i>	0,3	0,3	0,3	0,3	0,3	0,2
<i>Capital investment</i>	0,0	0,0	0,1	0,1	0,3	0,2
General Economic Services	0,2	0,2	0,4	0,3	0,3	0,2
<i>Recurrent expenditures</i>	0,2	0,2	0,3	0,3	0,3	0,2
<i>Capital investment</i>	0,0	0,0	0,1			
Agriculture	1,0	1,1	1,2	1,0	0,8	0,8
<i>Recurrent expenditures</i>	1,0	1,1	1,1	0,9	0,8	0,7
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Energy	0,1	0,1	0,2	0,4	0,6	0,4
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,4	0,6	0,4
<i>Capital investment</i>	0,1	0,0	0,1	0,0	0,0	0,0
Mining, Manufacturing and Construction	0,05	0,04	0,03	0,04	0,04	0,04
<i>Recurrent expenditures</i>	0,04	0,04	0,03	0,04	0,04	0,03
<i>Capital investment</i>	0,0			0,0	0,0	0,0
Transports	1,9	2,0	3,0	2,9	3,0	1,8
<i>Recurrent expenditures</i>	1,4	1,7	1,6	1,8	1,7	1,6
<i>Capital investment</i>	0,5	0,3	1,4	1,1	1,3	0,2
Communications		0,00	0,00	0,05	0,04	0,04
<i>Recurrent expenditures</i>		0,00	0,00	0,05	0,04	0,04
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Tourism	0,01	0,01	0,01	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,01	0,01	0,01	0,01	0,01	0,01
<i>Capital investment</i>						

Environment Protection	0,1	0,1	0,1	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Capital investment</i>	0,0	0,0		0,0	0,0	0,0
Housing and Community Amenities	0,8	0,9	1,0	0,9	0,8	0,8
<i>Recurrent expenditures</i>	0,5	0,6	0,9	0,8	0,8	0,7
<i>Capital investment</i>	0,3	0,3	0,1	0,1	0,0	0,0
Health	4,8	4,8	5,0	4,8	4,6	4,5
<i>Recurrent expenditures</i>	4,8	4,8	5,0	4,7	4,6	4,5
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Youth and Sport	0,3	0,3	0,3	0,2	0,2	0,2
<i>Recurrent expenditures</i>	0,3	0,3	0,2	0,2	0,2	0,2
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Culture	0,6	0,6	0,6	0,6	0,6	0,5
<i>Recurrent expenditures</i>	0,6	0,6	0,6	0,6	0,6	0,5
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Education	6,3	6,4	6,5	6,3	5,9	5,7
<i>Recurrent expenditures</i>	6,3	6,3	6,4	6,2	5,9	5,7
<i>Capital investment</i>	0,0	0,1	0,1	0,1	0,1	0,0
Social Protection	12,8	12,7	13,1	12,7	12,3	11,8
<i>Recurrent expenditures</i>	12,7	12,7	13,1	12,7	12,3	11,8
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Science and Innovation	0,3	0,3	0,3	0,3	0,2	0,2
<i>Recurrent expenditures</i>	0,3	0,3	0,3	0,3	0,2	0,2
<i>Capital investment</i>		0,0				
Increase of Wages and Structural Reforms				0,5	1,0	3,4
<i>Recurrent expenditures</i>				0,5	1,0	2,9
<i>Capital investment</i>						0,5
III. Budget Balance (1-2)	-1,9	-0,8	-2,9	-3,2	-2,8	-2,3
IV. Funds, total (4+5+9)	1,9	0,8	2,9	3,2	2,8	2,3
FINANCIAL ASSETS	0,3	-0,2	0,0	0,0	-0,3	0,0
INTERNAL ACCOUNTS RECEIVABLES	0,3	0,2	0,6	0,6	0,5	0,6
<i>Shares and other types of equity participation within the country, total</i>	0,2	0,1	0,2	0,2	0,1	0,2
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	0,0	0,0	-0,1	-0,2	-0,3	-0,1
<i>Privatisation of Public Property</i>	0,2	0,1	0,2	0,4	0,4	0,3
<i>Other internal accounts receivables of the budget</i>	0,06	0,14	0,44	0,39	0,36	0,33
CHANGES IN FOREIGN EXCHANGE RATES	-0,05	-0,07				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	0,2					
DOMESTIC ON-LENDING BETWEEN BUDGETS	0,02					
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-0,2	-0,4	-0,6	-0,5	-0,8	-0,6

<i>On-lending to non-financial institutions</i>	-0,2	-0,2	-0,3	-0,3	-0,6	-0,4
<i>On-lending to financial institutions</i>	0,0	-0,2	-0,3	-0,3	-0,2	-0,1
EXTERNAL ACCOUNTS RECEIVABLES	0,017	0,009	0,001	0,001	0,001	0,001
<i>External Guarantees</i>	0,017	0,009	0,001	0,001	0,001	0,001
DEBTS	2,8	2,2	3,4	2,5	3,1	2,2
DOMESTIC DEBT	0,7	0,7	-0,2	0,6	1,4	1,2
SECURITIES OTHER THAN SHARES	0,7	0,4		0,7	1,5	1,4
DOMESTIC BORROWING BETWEEN BUDGETS	-0,2	0,0				
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-0,3	0,0	0,1	0,0	0,0	0,0
DOMESTIC ON-LENDING BETWEEN BUDGETS	-0,02					
EXTERNAL/FOREIGN LOANS	2,6	1,6	3,5	2,0	1,7	1,0
<i>Receiving Foreign Loan</i>	3,4	2,5	5,0	3,5	3,3	2,4
<i>Foreign Loan Repayment</i>	-0,9	-0,9	-1,5	-1,5	-1,6	-1,5
CHANGES OF CASH FLOW BUDGET	-1,2	-1,3	-0,5	0,6	0,0	0,1

Estimates of the National Public Budget, 2016-2021

Indicators	% in total					
	Executed 2016	Executed 2017	Approved 2018	Estimates 2019 2020 2021		
I. REVENUE	100,0	100,0	100,0	100,0	100,0	100,0
TAXES AND FEES	63,6	64,6	62,2	64,2	65,3	65,5
INCOME TAX	14,2	14,5	14,6	15,1	15,5	15,8
<i>Personal income tax</i>	6,9	6,8	6,8	6,8	6,9	7,0
<i>Corporate tax</i>	7,3	7,6	7,9	8,3	8,6	8,9
PROPERTY TAX	0,9	1,0	1,0	0,9	0,9	0,8
<i>Land tax</i>	0,4	0,4	0,3	0,3	0,3	0,3
<i>Tax on immovable property</i>	0,4	0,6	0,5	0,5	0,5	0,5
<i>Private tax</i>	0,01	0,01	0,01	0,01	0,01	0,01
<i>Wealth tax</i>	0,1	0,1	0,1	0,1	0,1	0,1
TAXES AND FEES ON GOODS AND SERVICES	45,3	46,1	43,8	45,2	45,8	45,8
Value Added Tax	31,7	31,6	30,4	31,6	32,2	32,3
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	11,7	11,8	11,7	12,0	12,1	12,1
<i>Value added tax on imported goods</i>	25,6	24,8	23,3	24,7	25,4	25,4
<i>Value Added Tax Refunds</i>	-5,6	-5,0	-4,6	-5,2	-5,2	-5,2
Excise	9,9	11,1	10,4	10,7	10,8	11,0
<i>Excise on goods and services produced on the territory of the Republic of Moldova</i>	1,2	1,1	1,0	1,0	1,0	0,9
<i>Excise on imported goods</i>	9,1	10,5	9,7	10,1	10,2	10,4
<i>Excise Duty Refunds</i>	-0,4	-0,4	-0,4	-0,4	-0,4	-0,4
Fees for specific services	0,9	0,8	0,7	0,7	0,7	0,7
Fees and payments on permission to use goods, or perform certain activities	1,0	0,9	0,7	0,6	0,6	0,6
Other fees for goods and services	1,8	1,7	1,6	1,5	1,4	1,3
<i>Road tax</i>	1,4	1,6	1,4	1,2	1,2	1,1
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	3,2	3,0	2,8	3,0	3,1	3,0
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	28,9	29,1	28,9	29,1	29,4	29,7
SOCIAL INSURANCE CONTRIBUTIONS	21,8	22,2	22,0	22,2	22,5	22,7
PRIME DE ASIGURARE OBLIGATORIE DE ASISTENȚĂ MEDICALĂ	7,1	6,8	6,9	6,8	6,9	7,0
GRANTS	3,0	1,9	5,0	2,4	1,4	1,0
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,4	0,1	0,1	0,0	0,0	0,0
GRANTS FROM INTERNATIONAL ORGANISATIONS	2,6	1,8	4,9	2,4	1,4	1,0
OTHER REVENUE	4,5	4,5	4,0	4,3	3,9	3,8
of which						
REVENUE FROM PROPERTY	0,8	0,8	0,9	0,8	0,7	0,7
REVENUE FROM THE SALE OF GOODS AND SERVICES	3,0	2,6	2,4	2,3	2,2	2,0

II. EXPENDITURES	100,0	100,0	100,0	100,0	100,0	100,0
<i>Recurrent expenditures</i>	96,9	97,6	94,4	95,7	94,9	96,9
<i>Capital investment</i>	3,1	2,4	5,6	4,3	5,1	3,1
General State Services	5,7	5,5	6,0	6,2	5,8	5,2
<i>Recurrent expenditures</i>	5,6	5,4	5,9	6,1	5,7	5,2
<i>Capital investment</i>	0,0	0,0	0,1	0,1	0,1	0,0
External Affairs	0,8	0,8	0,7	0,7	0,7	0,6
<i>Recurrent expenditures</i>	0,8	0,8	0,7	0,7	0,6	0,6
<i>Capital investment</i>				0,0	0,0	0,0
Debt service	3,7	3,6	3,1	3,1	3,0	3,0
<i>Recurrent expenditures</i>	3,7	3,6	3,1	3,1	3,0	3,0
<i>Capital investment</i>						
National defence	1,1	1,0	1,0	1,1	1,2	1,3
<i>Recurrent expenditures</i>	1,1	1,0	1,0	1,1	1,2	1,3
<i>Capital investment</i>						
Public Order	4,8	5,1	4,7	4,8	4,3	3,9
<i>Recurrent expenditures</i>	4,7	5,0	4,5	4,6	4,3	3,9
<i>Capital investment</i>	0,0	0,1	0,2	0,2	0,1	0,0
Justice	1,3	1,5	1,5	1,5	1,6	1,6
<i>Recurrent expenditures</i>	1,2	1,4	1,4	1,4	1,4	1,4
<i>Capital investment</i>	0,1	0,1	0,1	0,1	0,2	0,2
Penitentiaries	0,8	0,8	1,1	1,1	1,4	1,3
<i>Recurrent expenditures</i>	0,8	0,8	0,8	0,8	0,7	0,7
<i>Capital investment</i>	0,1	0,0	0,3	0,3	0,7	0,6
General Economic Services	0,6	0,6	1,0	0,7	0,7	0,6
<i>Recurrent expenditures</i>	0,6	0,6	0,7	0,7	0,7	0,6
<i>Capital investment</i>	0,0	0,0	0,3			
Agriculture	2,8	3,0	3,0	2,5	2,2	2,1
<i>Recurrent expenditures</i>	2,7	2,9	2,9	2,4	2,2	2,0
<i>Capital investment</i>	0,1	0,1	0,1	0,1	0,0	0,0
Energy	0,3	0,4	0,4	1,2	1,5	1,0
<i>Recurrent expenditures</i>	0,2	0,4	0,2	1,2	1,5	1,0
<i>Capital investment</i>	0,2	0,0	0,2	0,0	0,0	0,0
Mining, Manufacturing and Construction	0,1	0,1	0,1	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Capital investment</i>	0,0			0,0	0,0	0,0
Transports	5,3	5,4	7,8	7,7	8,0	4,8
<i>Recurrent expenditures</i>	4,0	4,6	4,2	4,8	4,4	4,3
<i>Capital investment</i>	1,3	0,8	3,6	2,9	3,6	0,5
Communications		0,0	0,0	0,1	0,1	0,1
<i>Recurrent expenditures</i>		0,0	0,0	0,1	0,1	0,1
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Tourism	0,02	0,03	0,03	0,03	0,03	0,03
<i>Recurrent expenditures</i>	0,02	0,03	0,03	0,03	0,03	0,03

<i>Capital investment</i>						
Environment Protection	0,4	0,3	0,3	0,4	0,4	0,3
<i>Recurrent expenditures</i>	0,3	0,2	0,3	0,3	0,3	0,3
<i>Capital investment</i>	0,0	0,0		0,1	0,0	0,0
Housing and Community Amenities	2,4	2,4	2,6	2,3	2,2	2,1
<i>Recurrent expenditures</i>	1,4	1,7	2,4	2,2	2,1	2,0
<i>Capital investment</i>	1,0	0,7	0,2	0,1	0,1	0,1
Health	13,4	13,3	12,9	12,5	12,3	12,2
<i>Recurrent expenditures</i>	13,3	13,3	12,9	12,4	12,3	12,2
<i>Capital investment</i>	0,0	0,0	0,0	0,1	0,0	0,0
Youth and Sport	0,7	0,7	0,7	0,6	0,6	0,6
<i>Recurrent expenditures</i>	0,7	0,7	0,6	0,6	0,6	0,6
<i>Capital investment</i>	0,0	0,0	0,1	0,0	0,0	0,0
Culture	1,7	1,7	1,6	1,6	1,5	1,5
<i>Recurrent expenditures</i>	1,6	1,7	1,5	1,6	1,5	1,4
<i>Capital investment</i>	0,1	0,1	0,1	0,1	0,1	0,1
Education	17,7	17,8	16,9	16,5	15,8	15,5
<i>Recurrent expenditures</i>	17,5	17,5	16,6	16,2	15,7	15,4
<i>Capital investment</i>	0,1	0,3	0,3	0,3	0,1	0,1
Social Protection	35,6	35,0	33,9	33,2	32,9	32,3
<i>Recurrent expenditures</i>	35,6	34,9	33,9	33,2	32,9	32,3
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Science and Innovation	0,9	0,8	0,8	0,7	0,7	0,6
<i>Recurrent expenditures</i>	0,9	0,8	0,8	0,7	0,7	0,6
<i>Capital investment</i>		0,0				
Increase of Wages and Structural Reforms				1,3	2,8	9,2
<i>Recurrent expenditures</i>				1,3	2,8	7,9
<i>Capital investment</i>						1,4
III. Budget Balance (1-2)						
IV. Funds, total (4+5+9)	100,0	100,0	100,0	100,0	100,0	100,0
FINANCIAL ASSETS	13,5	-20,4	-1,1	1,5	-11,2	0,5
INTERNAL ACCOUNTS RECEIVABLES	16,0	32,2	20,4	18,1	16,2	25,3
<i>Shares and other types of equity participation within the country, total</i>	<i>12,7</i>	<i>13,8</i>	<i>5,6</i>	<i>5,9</i>	<i>3,3</i>	<i>10,7</i>
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	<i>-0,7</i>	<i>-1,3</i>	<i>-2,7</i>	<i>-6,3</i>	<i>-9,6</i>	<i>-3,8</i>
<i>Privatization of public property</i>	<i>13,4</i>	<i>15,2</i>	<i>8,3</i>	<i>12,2</i>	<i>12,9</i>	<i>14,5</i>
<i>Other internal accounts receivables of the budget</i>	<i>3,3</i>	<i>18,4</i>	<i>14,8</i>	<i>12,2</i>	<i>12,9</i>	<i>14,5</i>
CHANGES IN FOREIGN EXCHANGE RATES	-2,9	-8,7				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	11,0					
DOMESTIC ON-LENDING BETWEEN BUDGETS	1,3					

DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-12,9	-48,4	-21,5	-16,5	-27,4	-24,9
<i>On-lending to non-financial institutions</i>	-11,3	-24,0	-10,8	-8,0	-21,3	-18,5
<i>On-lending to financial institutions</i>	-1,6	-24,4	-10,7	-8,6	-6,1	-6,3
EXTERNAL ACCOUNTS RECEIVABLES	0,9	1,2	0,0	0,0	0,0	0,0
<i>External Guarantees</i>	0,9	1,2	0,0	0,0	0,0	0,0
DEBTS	150,3	295,5	116,4	78,9	111,2	96,4
DOMESTIC DEBT	39,6	97,7	-5,5	17,3	49,1	54,2
SECURITIES OTHER THAN SHARES	38,0	52,5		22,1	54,5	60,7
DOMESTIC BORROWING BETWEEN BUDGETS	-11,0	5,2				
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-16,1	-4,1	3,2	0,3	-0,1	-0,1
DOMESTIC ON-LENDING BETWEEN BUDGETS	-1,3					
EXTERNAL/FOREIGN LOANS	139,2	205,2	118,7	61,3	62,2	42,3
<i>Receiving Foreign Loan</i>	185,2	325,3	169,2	108,8	119,7	106,7
<i>Foreign Loan Repayment</i>	-46,0	-120,1	-50,4	-47,5	-57,5	-64,4
CHANGES OF CASH FLOW BUDGET	-63,8	-175,1	-15,3	19,5	0,0	3,1

Estimates of the State Budget, 2016-2021

MDL million

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	28879,5	33947,4	36618,5	39639,2	42523,3	45957,5
TAXES AND FEES	26125,6	31201,5	32074,6	36144,2	39668,6	43201,3
INCOME TAX	4663,4	5541,4	5997,3	6799,5	7566,1	8411,2
<i>Personal income tax</i>	1371,6	1572,6	1623,8	1785,6	1943,7	2126,7
<i>Corporate tax</i>	3291,8	3968,8	4373,5	5013,9	5622,4	6284,5
PROPERTY TAX	37,9	45,3	60,1	60,0	61,0	62,0
<i>Private tax</i>	3,1	1,8	2,6	7,0	7,0	7,0
<i>Wealth tax</i>	34,8	43,5	57,5	53,0	54,0	55,0
TAXES AND FEES ON GOODS AND SERVICES	19972,5	24023,7	24419,3	27436,0	29979,5	32563,4
Value Added Tax	14504,8	16788,8	17226,2	19499,1	21462,3	23291,1
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	5315,4	6205,2	6586,7	7352,0	7978,7	8677,9
<i>Value added tax on imported goods</i>	11761,0	13226,2	13289,0	15350,0	16974,4	18420,3
<i>Value Added Tax Refunds</i>	-2571,6	-2642,6	-2649,5	-3202,9	-3490,8	-3807,1
Excise	4545,8	5947,0	5900,5	6663,7	7232,3	7977,2
<i>Excise on goods and services produced on the territory of the Republic of Moldova</i>	531,2	573,8	568,0	615,2	653,6	681,3
<i>Excise on imported goods</i>	4181,6	5585,8	5539,1	6283,0	6825,6	7555,2
<i>Excise Duty Refunds</i>	-167,0	-212,6	-206,6	-234,5	-246,9	-259,3
Fees for specific services	12,7	9,6	10,9	11,5	12,0	12,4
Fees and payments on permission to use goods, or perform certain activities	433,4	399,8	379,9	343,9	350,9	357,4
Other fees for goods and services	475,8	878,5	901,8	917,8	922,0	925,3
<i>Road tax</i>	<i>331,8</i>	<i>744,1</i>	<i>771,8</i>	<i>771,8</i>	<i>771,8</i>	<i>771,8</i>
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	1451,8	1591,1	1597,9	1848,7	2062,0	2164,7
GRANTS	1275,9	992,9	2830,0	1493,5	957,7	720,1
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	110,0	61,2	56,4	28,5	21,0	11,1

GRANTS FROM INTERNATIONAL ORGANISATIONS	1165,9	931,7	2773,6	1465,0	936,7	709,0
OTHER REVENUE	1466,9	1740,2	1704,5	1985,6	1891,5	2033,0
of which						
REVENUE FROM PROPERTY	233,8	321,2	376,4	354,1	352,6	330,1
REVENUE FROM THE SALE OF GOODS AND SERVICES	1014,4	1014,0	978,3	1039,5	1026,4	1037,7
Transfers received within the NPB	11,1	12,8	9,4	15,9	5,5	3,1
II. EXPENDITURES	32313,2	35479,1	41332,4	45377,9	47947,2	50768,8
<i>Recurrent expenditures</i>	31353,3	34654,7	37995,7	42573,6	44413,9	48535,1
<i>including:</i>						
<i>transfers to local budgets</i>	8263,7	9552,5	9943,3	10535,0	11155,4	11699,8
<i>transfers to MHIF</i>	2512,7	2593,0	2728,0	2854,5	2947,5	3095,0
<i>transfers to SSAIB</i>	5016,0	5941,0	6758,5	6863,5	6815,5	6500,3
<i>Capital investment</i>	959,9	824,4	3336,7	2804,3	3533,3	2233,7
General State Services	2974,5	3237,9	3854,7	4386,3	4372,5	4340,0
<i>Recurrent expenditures</i>	2956,4	3219,4	3786,3	4326,3	4336,8	4326,4
<i>transfers to local budgets</i>	1311,0	1452,8	1533,4	1639,3	1734,6	1866,8
<i>transfers with general purpose</i>	1169,2	1225,6	1421,3	1619,6	1714,9	1847,1
<i>transfers with special purpose</i>	41,7	142,9	103,5	4,7	4,7	4,7
<i>transfers from clearing fund</i>	100,1	84,3	8,6	15,0	15,0	15,0
<i>Capital investment</i>	18,1	18,5	68,4	60,0	35,7	13,6
External Affairs	372,9	453,1	446,0	457,5	471,6	487,8
<i>Recurrent expenditures</i>	372,9	453,1	446,0	447,5	456,6	471,3
<i>Capital investment</i>				10,0	15,0	16,5
Debt service	1747,2	1929,0	1819,5	1944,6	2072,8	2189,3
<i>Recurrent expenditures</i>	1747,2	1929,0	1819,5	1944,6	2072,8	2189,3
<i>Capital investment</i>						
National defence	538,4	560,3	617,0	759,6	880,5	974,6
<i>Recurrent expenditures</i>	538,4	560,3	617,0	759,6	880,5	974,6
<i>Capital investment</i>						
Public Order	2292,2	2742,0	2865,3	3214,7	3110,4	2999,5
<i>Recurrent expenditures</i>	2277,5	2710,7	2741,8	3089,7	3070,2	2990,5
<i>Capital investment</i>	14,7	31,3	123,5	125,0	40,2	9,0
Justice	644,2	832,4	905,2	1026,5	1154,6	1208,5
<i>Recurrent expenditures</i>	602,6	773,7	855,1	964,0	1019,6	1068,5
<i>Capital investment</i>	41,6	58,7	50,1	62,5	135,0	140,0

Penitentiaries	394,3	461,3	673,2	738,7	1015,9	982,1
<i>Recurrent expenditures</i>	367,5	445,6	500,6	529,7	525,2	511,8
<i>Capital investment</i>	26,8	15,7	172,6	209,0	490,7	470,3
General Economic Services	387,5	473,5	726,1	571,2	636,0	601,4
<i>Recurrent expenditures</i>	387,5	473,5	526,1	571,2	636,0	601,4
<i>Capital investment</i>			200,0			
Agriculture	1301,5	1613,2	1826,2	1671,9	1567,5	1555,5
<i>Recurrent expenditures</i>	1263,9	1551,4	1776,1	1628,8	1538,3	1533,2
<i>transfers to local budgets</i>		0,1				
<i>Capital investment</i>	37,6	61,8	50,1	43,1	29,2	22,3
Energy	151,9	190,1	247,5	785,5	1095,0	777,3
<i>Recurrent expenditures</i>	82,5	190,0	114,4	782,1	1095,0	777,3
<i>Capital investment</i>	69,4	0,1	133,1	3,4		
Mining, Manufacturing and Construction	38,2	31,8	5,2	30,1	30,4	30,6
<i>Recurrent expenditures</i>	38,2	31,8	5,2	30,1	30,4	30,6
<i>Capital investment</i>						
Transports	1719,0	2282,7	4125,1	4273,8	4834,2	2693,1
<i>Recurrent expenditures</i>	1100,2	1857,3	1880,5	2288,0	2234,5	2309,2
<i>transfers to local budgets</i>	15,3	700,1	743,4	766,6	838,1	867,7
<i>Capital investment</i>	618,8	425,4	2244,6	1985,8	2599,7	383,9
Communications		4,8	4,9	92,5	86,0	77,0
<i>Recurrent expenditures</i>		4,8	4,9	92,5	86,0	77,0
<i>Capital investment</i>						
Tourism	10,1	18,9	19,7	19,8	19,8	19,9
<i>Recurrent expenditures</i>	10,1	18,9	19,7	19,8	19,8	19,9
<i>Capital investment</i>						
Environment Protection	161,9	104,2	156,6	232,3	237,2	216,2
<i>Recurrent expenditures</i>	158,9	104,2	156,6	206,0	218,0	213,6
<i>transfers to local budgets</i>	20,2	12,0	0,6	0,6	0,6	0,6
<i>Capital investment</i>	3,0			26,3	19,2	2,6
Housing and Community Amenities	381,2	356,3	442,8	386,7	341,0	329,7
<i>Recurrent expenditures</i>	306,6	289,1	345,1	350,9	341,0	329,7
<i>transfers to local budgets</i>	240,9	180,4				
<i>Capital investment</i>	74,6	67,2	97,7	35,8		
Health	3233,2	3438,6	3893,3	4084,2	4132,0	4227,9
<i>Recurrent expenditures</i>	3233,1	3438,6	3887,0	4047,0	4105,7	4204,6
<i>including transfers to MHIF</i>	2512,7	2593,0	2728,0	2854,5	2947,5	3095,0
<i>Capital investment</i>	0,1		6,3	37,2	26,3	23,3

Youth and Sport	282,8	283,2	302,5	331,7	350,2	379,5
<i>Recurrent expenditures</i>	282,4	283,0	300,5	322,9	335,7	369,5
<i>transfers to local budgets</i>	154,2	161,7	173,6	183,0	192,9	205,2
<i>Capital investment</i>	0,4	0,2	2,0	8,8	14,5	10,0
Culture	346,8	380,5	392,9	454,2	450,3	452,5
<i>Recurrent expenditures</i>	316,9	356,9	367,9	414,2	410,3	407,5
<i>Capital investment</i>	29,9	23,6	25,0	40,0	40,0	45,0
Education	8269,1	9002,2	9909,6	10668,0	10749,8	11045,1
<i>Recurrent expenditures</i>	8249,2	8891,5	9762,7	10511,6	10662,0	11006,6
<i>transfers to local budgets</i>	6274,6	6778,2	7213,7	7638,0	8059,3	8408,6
<i>Capital investment</i>	19,9	110,7	146,9	156,4	87,8	38,5
Social Protection	6651,0	6653,8	7627,9	7883,4	7869,6	7558,2
<i>Recurrent expenditures</i>	6646,0	6642,8	7611,5	7882,4	7869,6	7558,2
<i>including transfers to local budgets</i>	247,5	267,2	278,6	307,5	329,9	350,9
<i>transfers from the Republican Fund for Social Support of the Population</i>	84,2	82,5	82,0	64,2	66,7	69,4
<i>transfers with special purpose</i>	163,3	184,7	196,6	243,3	263,2	281,5
<i>including transfers to SSAIB</i>	5016,0	5941,0	6758,5	6863,5	6815,5	6500,3
<i>Capital investment</i>	5,0	11,0	16,4	1,0		
Science and Innovation	415,3	429,3	471,2	482,6	476,6	473,7
<i>Recurrent expenditures</i>	415,3	429,1	471,2	482,6	476,6	473,7
<i>Capital investment</i>		0,2				
Increase of Wages and Structural Reforms				882,1	1993,3	7149,4
<i>Recurrent expenditures</i>				882,1	1993,3	6090,7
<i>Capital investment</i>						1058,7
III. Budget Balance (1-2)	-3433,7	-1531,7	-4713,9	-5738,7	-5423,9	-4811,3
IV. Funds, total (4+5+9)	3433,6	1531,7	4713,9	5738,7	5423,9	4811,3
FINANCIAL ASSETS	312,9	-250,0	-11,7	137,7	-554,2	84,1
INTERNAL ACCOUNTS RECEIVABLES	384,1	363,2	961,0	1036,7	876,6	1216,4
<i>Shares and other types of equity participation within the country, total</i>	300,4	152,6	261,0	336,7	176,6	516,4
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	-14,8	-13,5	-129,0	-363,3	-523,4	-183,6

<i>Privatization of public property</i>	315,2	166,1	390,0	700,0	700,0	700,0
<i>Other internal accounts receivables of the budget</i>	83,7	210,6	700,0	700,0	700,0	700,0
CHANGES IN FOREIGN EXCHANGE RATES	-72,2	-99,3				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	276,6					
DOMESTIC ON-LENDING BETWEEN BUDGETS	33,5	37,5	41,5	49,2	55,4	62,0
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-331,4	-564,6	-1015,1	-949,3	-1487,8	-1196,3
<i>On-lending to non-financial institutions</i>	-291,2	-284,7	-575,2	-457,7	-1157,9	-891,0
<i>On-lending to financial institutions</i>	-40,2	-279,9	-439,9	-491,6	-329,9	-305,3
EXTERNAL ACCOUNTS RECEIVABLES	22,4	13,2	0,9	1,1	1,6	2,0
<i>External Guarantees</i>	22,4	13,2	0,9	1,1	1,6	2,0
DEBTS	4112,5	3421,2	5143,6	4347,8	6177,9	4845,4
DOMESTIC DEBT	993,0	1118,4	-260,0	990,0	2665,0	2610,0
SECURITIES OTHER THAN SHARES	953,0	1058,9	-210,0	1040,0	2715,0	5050,0
DOMESTIC BORROWING BETWEEN BUDGETS	-276,6					
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-87,7					
DOMESTIC ON-LENDING BETWEEN BUDGETS						
EXTERNAL/FOREIGN LOANS	3483,8	2302,8	5403,6	3357,8	3512,9	2235,4
<i>Receiving Foreign Loan</i>	4591,1	3625,9	7713,7	5908,5	6433,2	5132,9
<i>Foreign Loan Repayment</i>	-1107,3	-1323,1	-2310,1	-2550,7	-2920,3	-2897,5
CHANGES OF CASH FLOW BUDGET	-991,8	-1639,5	-418,0	1253,2	-199,8	-118,2

Estimates of the State Budget, 2016-2021

Share in GDP (%)

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	21,3	22,6	22,9	22,3	21,9	21,7
TAXES AND FEES	19,3	20,7	20,0	20,3	20,5	20,4
INCOME TAX	3,4	3,7	3,7	3,8	3,9	4,0
<i>Personal income tax</i>	1,0	1,0	1,0	1,0	1,0	1,0
<i>Corporate tax</i>	2,4	2,6	2,7	2,8	2,9	3,0
PROPERTY TAX	0,03	0,03	0,04	0,03	0,03	0,03
<i>Private tax</i>	0,002	0,001	0,002	0,004	0,004	0,003
<i>Wealth tax</i>	0,03	0,03	0,04	0,03	0,03	0,03
TAXES AND FEES ON GOODS AND SERVICES	14,8	16,0	15,3	15,4	15,5	15,4
Value Added Tax	10,7	11,2	10,8	11,0	11,1	11,0
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	3,9	4,1	4,1	4,1	4,1	4,1
<i>Value added tax on imported goods</i>	8,7	8,8	8,3	8,6	8,8	8,7
<i>Value Added Tax Refunds</i>	-1,9	-1,8	-1,7	-1,8	-1,8	-1,8
Excise	3,4	4,0	3,7	3,7	3,7	3,8
<i>Excise on goods and services produced on the territory of the Republic of Moldova</i>	0,4	0,4	0,4	0,3	0,3	0,3
<i>Excise on imported goods</i>	3,1	3,7	3,5	3,5	3,5	3,6
<i>Excise Duty Refunds</i>	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1
Fees for specific services	0,01	0,01	0,01	0,01	0,01	0,01
Fees and payments on permission to use goods, or perform certain activities	0,3	0,3	0,2	0,2	0,2	0,2
Other fees for goods and services	0,4	0,6	0,6	0,5	0,5	0,4
<i>Road tax</i>	0,2	0,5	0,5	0,4	0,4	0,4
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	1,1	1,1	1,0	1,0	1,1	1,0
GRANTS	0,9	0,7	1,8	0,8	0,5	0,3
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,1	0,0	0,0	0,0	0,0	0,0
GRANTS FROM INTERNATIONAL ORGANISATIONS	0,9	0,6	1,7	0,8	0,5	0,3
OTHER REVENUE	1,1	1,2	1,1	1,1	1,0	1,0
of which						
REVENUE FROM PROPERTY	0,2	0,2	0,2	0,2	0,2	0,2
REVENUE FROM THE SALE OF GOODS AND SERVICES	0,7	0,7	0,6	0,6	0,5	0,5
Transfers received within the NPB	0,01	0,01	0,01	0,01	0,00	0,00
II. EXPENDITURES	23,87	23,59	25,82	25,50	24,72	24,00
<i>Recurrent expenditures</i>	23,16	23,05	23,73	23,93	22,90	22,95
<i>including:</i>						
<i>transfers to local budgets</i>	6,10	6,35	6,21	5,92	5,75	5,53

<i>transfers to MHIF</i>	1,86	1,72	1,70	1,60	1,52	1,46
<i>transfers to SSAIB</i>	3,70	3,95	4,22	3,86	3,51	3,07
<i>Capital investment</i>	0,71	0,55	2,08	1,58	1,82	1,06
General State Services	2,20	2,15	2,41	2,47	2,25	2,05
<i>Recurrent expenditures</i>	2,18	2,14	2,36	2,43	2,24	2,05
<i>transfers to local budgets</i>	0,97	0,97	0,96	0,92	0,89	0,88
<i>transfers with general purpose</i>	0,86	0,82	0,89	0,91	0,88	0,87
<i>transfers with special purpose</i>	0,03	0,10	0,06	0,003	0,002	0,002
<i>transfers from clearing fund</i>	0,07	0,06	0,01	0,01	0,01	0,01
<i>Capital investment</i>	0,01	0,01	0,04	0,03	0,02	0,01
External Affairs	0,28	0,30	0,28	0,26	0,24	0,23
<i>Recurrent expenditures</i>	0,28	0,30	0,28	0,25	0,24	0,22
<i>Capital investment</i>				0,01	0,01	0,01
Debt service	1,29	1,28	1,14	1,09	1,07	1,04
<i>Recurrent expenditures</i>	1,29	1,28	1,14	1,09	1,07	1,04
<i>Capital investment</i>						
National defence	0,40	0,37	0,39	0,43	0,45	0,46
<i>Recurrent expenditures</i>	0,40	0,37	0,39	0,43	0,45	0,46
<i>Capital investment</i>						
Public Order	1,69	1,82	1,79	1,81	1,60	1,42
<i>Recurrent expenditures</i>	1,68	1,80	1,71	1,74	1,58	1,41
<i>Capital investment</i>	0,01	0,02	0,08	0,07	0,02	0,004
Justice	0,48	0,55	0,57	0,58	0,60	0,57
<i>Recurrent expenditures</i>	0,45	0,51	0,53	0,54	0,53	0,51
<i>Capital investment</i>	0,03	0,04	0,03	0,04	0,07	0,07
Penitentiaries	0,29	0,31	0,42	0,42	0,52	0,46
<i>Recurrent expenditures</i>	0,27	0,30	0,31	0,30	0,27	0,24
<i>Capital investment</i>	0,02	0,01	0,11	0,12	0,25	0,22
General Economic Services	0,29	0,31	0,45	0,32	0,33	0,28
<i>Recurrent expenditures</i>	0,29	0,31	0,33	0,32	0,33	0,28
<i>Capital investment</i>			0,12			
Agriculture	0,96	1,07	1,14	0,94	0,81	0,74
<i>Recurrent expenditures</i>	0,93	1,03	1,11	0,92	0,79	0,72
<i>Capital investment</i>	0,03	0,04	0,03	0,02	0,02	0,01
Energy	0,11	0,13	0,15	0,44	0,56	0,37
<i>Recurrent expenditures</i>	0,06	0,13	0,07	0,44	0,56	0,37
<i>Capital investment</i>	0,05		0,08			
Mining, Manufacturing and Construction	0,03	0,02	0,00	0,02	0,02	0,01
<i>Recurrent expenditures</i>	0,03	0,02	0,00	0,02	0,02	0,01
<i>Capital investment</i>						
Transports	1,27	1,52	2,58	2,40	2,49	1,27
<i>Recurrent expenditures</i>	0,81	1,24	1,17	1,29	1,15	1,09
<i>transfers to local budgets</i>	0,01	0,47	0,46	0,43	0,43	0,41
<i>Capital investment</i>	0,46	0,28	1,4	1,12	1,12	0,18
Communications		0,03	0,03	0,05	0,04	0,04

<i>Recurrent expenditures</i>		0,03	0,03	0,05	0,04	0,04
<i>Capital investment</i>						
Tourism	0,01	0,01	0,01	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,01	0,01	0,01	0,01	0,01	0,01
<i>Capital investment</i>						
Environment Protection	0,12	0,07	0,10	0,13	0,12	0,10
<i>Recurrent expenditures</i>	0,12	0,07	0,10	0,12	0,11	0,10
<i>transfers to local budgets</i>	0,01	0,01				
<i>Capital investment</i>				0,01	0,01	
Housing and Community Amenities	0,28	0,24	0,28	0,22	0,18	0,16
<i>Recurrent expenditures</i>	0,23	0,19	0,22	0,20	0,18	0,16
<i>transfers to local budgets</i>	0,18	0,12				
<i>Capital investment</i>	0,06	0,04	0,06	0,02		
Health	2,39	2,29	2,43	2,30	2,13	2,0
<i>Recurrent expenditures</i>	2,39	2,29	2,43	2,27	2,12	1,99
<i>including transfers to MHIF</i>	1,86	1,72	1,70	1,60	1,52	1,46
<i>Capital investment</i>				0,02	0,01	0,01
Youth and Sport	0,21	0,19	0,19	0,19	0,18	0,18
<i>Recurrent expenditures</i>	0,21	0,19	0,19	0,18	0,17	0,17
<i>transfers to local budgets</i>	0,11	0,11	0,11	0,10	0,10	0,10
<i>Capital investment</i>					0,01	
Culture	0,26	0,25	0,25	0,26	0,23	0,21
<i>Recurrent expenditures</i>	0,23	0,24	0,23	0,23	0,21	0,19
<i>Capital investment</i>	0,02	0,02	0,02	0,02	0,02	0,02
Education	6,11	5,99	6,19	6,0	5,54	5,22
<i>Recurrent expenditures</i>	6,09	5,91	6,10	5,91	5,50	5,20
<i>transfers to local budgets</i>	4,63	4,51	4,51	4,29	4,16	3,98
<i>Capital investment</i>	0,01	0,07	0,09	0,09	0,05	0,02
Social Protection	4,91	4,42	4,76	4,43	4,06	3,57
<i>Recurrent expenditures</i>	4,91	4,42	4,75	4,43	4,06	3,57
<i>including transfers to local budgets</i>	0,18	0,18	0,17	0,17	0,17	0,17
<i>transfers from the Republican Fund for Social Support of the Population</i>	0,06	0,05	0,05	0,04	0,03	0,03
<i>transfers with special purpose</i>	0,12	0,12	0,12	0,14	0,14	0,13
<i>including transfers to SSAIB</i>	3,70	3,95	4,22	3,86	3,51	3,07
<i>Capital investment</i>	0,004	0,01	0,01	0,001		
Science and Innovation	0,31	0,29	0,29	0,27	0,25	0,22
<i>Recurrent expenditures</i>	0,31	0,29	0,29	0,27	0,25	0,22
<i>Capital investment</i>						
Increase of Wages and Structural Reforms				0,50	1,03	3,38
<i>Recurrent expenditures</i>				0,50	1,03	2,88
<i>Capital investment</i>						0,50
III. Budget Balance (1-2)						

IV. Funds, total (4+5+9)	2,5	1,0	2,9	3,2	2,8	2,3
FINANCIAL ASSETS	0,2	-0,2	0,0	0,1	-0,3	0,0
INTERNAL ACCOUNTS RECEIVABLES	0,3	0,2	0,6	0,6	0,5	0,6
<i>Shares and other types of equity participation within the country, total</i>	0,2	0,1	0,2	0,2	0,1	0,2
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	0,0	0,0	-0,1	-0,2	-0,3	-0,1
<i>Privatization of public property</i>	0,2	0,1	0,2	0,4	0,4	0,3
<i>Other internal accounts receivables of the budget</i>	0,1	0,1	0,4	0,4	0,4	0,3
CHANGES IN FOREIGN EXCHANGE RATES	-0,1	-0,1				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	0,2					
DOMESTIC ON-LENDING BETWEEN BUDGETS	0,0	0,0	0,0	0,0	0,0	0,0
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-0,2	-0,4	-0,6	-0,5	-0,8	-0,6
<i>On-lending to non-financial institutions</i>	-0,2	-0,2	-0,4	-0,3	-0,6	-0,4
<i>On-lending to financial institutions</i>	0,0	-0,2	-0,3	-0,3	-0,2	-0,1
EXTERNAL ACCOUNTS RECEIVABLES	0,0	0,0	0,0	0,0	0,0	0,0
<i>External Guarantees</i>	0,0	0,0	0,0	0,0	0,0	0,0
DEBTS	3,0	2,3	3,2	2,4	3,2	2,3
DOMESTIC DEBT	0,7	0,7	-0,2	0,6	1,4	1,2
SECURITIES OTHER THAN SHARES	0,7	0,7	-0,1	0,6	1,4	2,4
DOMESTIC BORROWING BETWEEN BUDGETS	-0,2					
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-0,1					
DOMESTIC ON-LENDING BETWEEN BUDGETS						
EXTERNAL/FOREIGN LOANS	2,6	1,5	3,4	1,9	1,8	1,1
<i>Receiving Foreign Loan</i>	3,4	2,4	4,8	3,3	3,3	2,4
<i>Foreign Loan Repayment</i>	-0,8	-0,9	-1,4	-1,4	-1,5	-1,4
CHANGES OF CASH FLOW BUDGET	-0,7	-1,1	-0,3	0,7	-0,1	-0,1

Estimates of the State Budget, 2016-2021

% in total

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	100,0	100,0	100,0	100,0	100,0	100,0
TAXES AND FEES	90,5	91,9	87,6	91,2	93,3	94,0
INCOME TAX	16,1	16,3	16,4	17,2	17,8	18,3
<i>Personal income tax</i>	4,7	4,6	4,4	4,5	4,6	4,6
<i>Corporate tax</i>	11,4	11,7	11,9	12,6	13,2	13,7
PROPERTY TAX	0,1	0,1	0,2	0,2	0,1	0,1
<i>Private tax</i>	0,01	0,01	0,01	0,02	0,02	0,02
<i>Wealth tax</i>	0,1	0,1	0,2	0,1	0,1	0,1
TAXES AND FEES ON GOODS AND SERVICES	69,2	70,8	66,7	69,2	70,5	70,9
Value Added Tax	50,2	49,5	47,0	49,2	50,5	50,7
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	18,4	18,3	18,0	18,5	18,8	18,9
<i>Value added tax on imported goods</i>	40,7	39,0	36,3	38,7	39,9	40,1
<i>Value Added Tax Refunds</i>	-8,9	-7,8	-7,2	-8,1	-8,2	-8,3
Excise	15,7	17,5	16,1	16,8	17,0	17,4
<i>Excise on goods and services produced on the territory of the Republic of Moldova</i>	1,8	1,7	1,6	1,6	1,5	1,5
<i>Excise on imported goods</i>	14,5	16,5	15,1	15,9	16,1	16,4
<i>Excise Duty Refunds</i>	-0,6	-0,6	-0,6	-0,6	-0,6	-0,6
Fees for specific services	0,0	0,0	0,0	0,0	0,0	0,0
Taxes on permission to use goods, or perform certain activities	1,5	1,2	1,0	0,9	0,8	0,8
Other fees for goods and services	1,6	2,6	2,5	2,3	2,2	2,0
<i>Road tax</i>	1,1	2,2	2,1	1,9	1,8	1,7
TAX ON INTERNATIONAL TRADE AND EXTERNAL OPERATIONS	5,0	4,7	4,4	4,7	4,8	4,7
GRANTS	4,4	2,9	7,7	3,8	2,3	1,6
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,4	0,2	0,2	0,1	0,0	0,0
GRANTS FROM INTERNATIONAL ORGANISATIONS	4,0	2,7	7,6	3,7	2,2	1,5
OTHER REVENUE	5,1	5,1	4,7	5,0	4,4	4,4
of which						
REVENUE FROM PROPERTY	0,8	0,9	1,0	0,9	0,8	0,7
REVENUE FROM THE SALE OF GOODS AND SERVICES	3,5	3,0	2,7	2,6	2,4	2,3
Transfers received within the NPB	0,0	0,0	0,0	0,0	0,0	0,0

II. EXPENDITURES	100,0	100,0	100,0	100,0	100,0	100,0
<i>Recurrent expenditures</i>	97,0	97,7	91,9	93,8	92,6	95,6
<i>including:</i>						
<i>transfers to local budgets</i>	25,6	26,9	24,1	23,2	23,3	23,0
<i>transfers to MHIF</i>	7,8	7,3	6,6	6,3	6,1	6,1
<i>transfers to SSAIB</i>	15,5	16,7	16,4	15,1	14,2	12,8
<i>Capital investment</i>	3,0	2,3	8,1	6,2	7,4	4,4
General State Services	9,2	9,1	9,3	9,7	9,1	8,5
<i>Recurrent expenditures</i>	9,1	9,1	9,2	9,5	9,0	8,5
<i>transfers to local budgets</i>	4,1	4,1	3,7	3,6	3,6	3,7
<i>transfers with general purpose</i>	3,6	3,5	3,4	3,6	3,6	3,6
<i>transfers with special purpose</i>	0,1	0,4	0,3	0,0	0,0	0,0
<i>transfers from clearing fund</i>	0,3	0,2	0,0	0,0	0,0	0,0
<i>Capital investment</i>	0,1	0,1	0,2	0,1	0,1	0,0
External Affairs	1,2	1,3	1,1	1,0	1,0	1,0
<i>Recurrent expenditures</i>	1,2	1,3	1,1	1,0	1,0	0,9
<i>Capital investment</i>				0,0	0,0	0,0
Debt service	5,4	5,4	4,4	4,3	4,3	4,3
<i>Recurrent expenditures</i>	5,4	5,4	4,4	4,3	4,3	4,3
<i>Capital investment</i>						
National defence	1,7	1,6	1,5	1,7	1,8	1,9
<i>Recurrent expenditures</i>	1,7	1,6	1,5	1,7	1,8	1,9
<i>Capital investment</i>						
Public Order	7,1	7,7	6,9	7,1	6,5	5,9
<i>Recurrent expenditures</i>	7,05	7,6	6,6	6,8	6,4	5,9
<i>Capital investment</i>	0,05	0,1	0,3	0,3	0,1	0,0
Justice	2,0	2,3	2,2	2,3	2,4	2,4
<i>Recurrent expenditures</i>	1,9	2,2	2,1	2,1	2,1	2,1
<i>Capital investment</i>	0,1	0,2	0,1	0,1	0,3	0,3
Penitentiaries	1,2	1,3	1,6	1,6	2,1	1,9
<i>Recurrent expenditures</i>	1,1	1,3	1,2	1,2	1,1	1,0
<i>Capital investment</i>	0,1	0,0	0,4	0,5	1,0	0,9
General Economic Services	1,2	1,3	1,8	1,3	1,3	1,2
<i>Recurrent expenditures</i>	1,2	1,3	1,3	1,3	1,3	1,2
<i>Capital investment</i>			0,5			
Agriculture	4,0	4,5	4,4	3,7	3,3	3,1
<i>Recurrent expenditures</i>	3,9	4,4	4,3	3,6	3,2	3,0
<i>Capital investment</i>	0,1	0,2	0,1	0,1	0,1	0,0
Energy	0,5	0,5	0,6	1,7	2,3	1,5
<i>Recurrent expenditures</i>	0,3	0,5	0,3	1,7	2,3	1,5
<i>Capital investment</i>	0,2	0,0	0,3	0,0		
Mining, Manufacturing and Construction	0,1	0,1	0,0	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,0	0,1	0,1	0,1
<i>Capital investment</i>						

Transports	5,3	6,4	10,0	9,4	10,1	5,3
<i>Recurrent expenditures</i>	3,4	5,2	4,5	5,0	4,7	4,5
<i>transfers to local budgets</i>	0,0	2,0	1,8	1,7	1,7	1,7
<i>Capital investment</i>	1,9	1,2	5,4	4,4	5,4	0,8
Communications		0,0	0,0	0,2	0,2	0,2
<i>Recurrent expenditures</i>		0,0	0,0	0,2	0,2	0,2
<i>Capital investment</i>						
Tourism	0,0	0,1	0,0	0,0	0,0	0,0
<i>Recurrent expenditures</i>	0,0	0,1	0,0	0,0	0,0	0,0
<i>Capital investment</i>						
Environment Protection	0,5	0,3	0,4	0,5	0,5	0,4
<i>Recurrent expenditures</i>	0,5	0,3	0,4	0,5	0,5	0,4
<i>transfers to local budgets</i>	0,1	0,0	0,0	0,0	0,0	0,0
<i>Capital investment</i>	0,0			0,1	0,0	0,0
Housing and Community Amenities	1,2	1,0	1,1	0,9	0,7	0,6
<i>Recurrent expenditures</i>	0,9	0,8	0,8	0,8	0,7	0,6
<i>transfers to local budgets</i>	0,7	0,5				
<i>Capital investment</i>	0,2	0,2	0,2	0,1		
Health	10,0	9,7	9,4	9,0	8,6	8,3
<i>Recurrent expenditures</i>	10,0	9,7	9,4	8,9	8,6	8,3
<i>including transfers to MHIF</i>	7,8	7,3	6,6	6,3	6,1	6,1
<i>Capital investment</i>	0,0		0,0	0,1	0,1	0,0
Youth and Sport	0,9	0,8	0,7	0,7	0,7	0,7
<i>Recurrent expenditures</i>	0,9	0,8	0,7	0,7	0,7	0,7
<i>transfers to local budgets</i>	0,5	0,5	0,4	0,4	0,4	0,4
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Culture	1,1	1,1	1,0	1,0	0,9	0,9
<i>Recurrent expenditures</i>	1,0	1,0	0,9	0,9	0,9	0,8
<i>Capital investment</i>	0,1	0,1	0,1	0,1	0,1	0,1
Education	25,6	25,4	24,0	23,5	22,4	21,8
<i>Recurrent expenditures</i>	25,5	25,1	23,6	23,2	22,2	21,7
<i>transfers to local budgets</i>	19,4	19,1	17,5	16,8	16,8	16,6
<i>Capital investment</i>	0,1	0,3	0,4	0,3	0,2	0,1
Social Protection	20,6	18,8	18,5	17,4	16,4	14,9
<i>Recurrent expenditures</i>	20,6	18,7	18,4	17,4	16,4	14,9
<i>including transfers to local budgets</i>	0,8	0,8	0,7	0,7	0,7	0,7
<i>transfers from the Republican Fund for Social Support of the Population</i>	0,3	0,2	0,2	0,1	0,1	0,1
<i>transfers with special purpose</i>	0,5	0,5	0,5	0,5	0,5	0,6
<i>including transfers to SSAIB</i>	15,5	16,7	16,4	15,1	14,2	12,8
<i>Capital investment</i>	0,02	0,03	0,04	0,00		
Science and Innovation	1,3	1,2	1,1	1,1	1,0	0,9
<i>Recurrent expenditures</i>	1,3	1,2	1,1	1,1	1,0	0,9
<i>Capital investment</i>		0,0				

Increase of Wages and Structural Reforms				1,9	4,2	14,1
<i>Recurrent expenditures</i>				1,9	4,2	12,0
<i>Capital investment</i>						2,1
III. Budget Balance (1-2)						
IV. Funds, total (4+5+9)	100,0	100,0	100,0	100,0	100,0	100,0
FINANCIAL ASSETS	9,1	-16,3	-0,2	2,4	-10,2	1,7
INTERNAL ACCOUNTS RECEIVABLES	11,2	23,7	20,4	18,1	16,2	25,3
<i>Shares and other types of equity participation within the country, total</i>	8,7	10,0	5,5	5,9	3,3	10,7
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	-0,4	-0,9	-2,7	-6,3	-9,6	-3,8
<i>Privatisation of Public Property</i>	9,2	10,8	8,3	12,2	12,9	14,5
<i>Other internal accounts receivables of the budget</i>	2,4	13,7	14,8	12,2	12,9	14,5
CHANGES IN FOREIGN EXCHANGE RATES	-2,1	-6,5				
INTERNAL BORROWING, INTERBUDGETARY RELATIONS	8,1					
DOMESTIC ON-LENDING BETWEEN BUDGETS	1,0	2,4	0,9	0,9	1,0	1,3
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-9,7	-36,9	-21,5	-16,5	-27,4	-24,9
<i>On-lending to non-financial institutions</i>	-8,5	-18,6	-12,2	-8,0	-21,3	-18,5
<i>On-lending to financial institutions</i>	-1,2	-18,3	-9,3	-8,6	-6,1	-6,3
EXTERNAL ACCOUNTS RECEIVABLES	0,7	0,9	0,0	0,0	0,0	0,0
<i>External Guarantees</i>	0,7	0,9	0,0	0,0	0,0	0,0
DEBTS	119,8	223,4	109,1	75,8	113,9	100,7
DOMESTIC DEBT	28,9	73,0	-5,5	17,3	49,1	54,2
SECURITIES OTHER THAN SHARES	27,8	69,1	-4,5	18,1	50,1	105,0
DOMESTIC BORROWING BETWEEN BUDGETS	-8,1					
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-2,6					
DOMESTIC ON-LENDING BETWEEN BUDGETS						
EXTERNAL/FOREIGN LOANS	101,5	150,3	114,6	58,5	64,8	46,5
<i>Receiving Foreign Loan</i>	133,7	236,7	163,6	103,0	118,6	106,7
<i>Foreign Loan Repayment</i>	-32,2	-86,4	-49,0	-44,4	-53,8	-60,2
CHANGES OF CASH FLOW BUDGET	-28,9	-107,0	-8,9	21,8	-3,7	-2,5

Estimates of Local Budgets, 2016-2021

MDL
million

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	12053,0	13461,5	13848,8	14949,9	15853,6	16718,6
TAXES AND FEES	3105,5	3274,3	3373,4	3760,9	4024,2	4324,8
INCOME TAX	1880,7	2181,4	2336,0	2589,4	2820,7	3087,0
<i>Personal income tax</i>	1809,9	2076,3	2228,5	2466,1	2682,4	2932,5
<i>Corporate tax</i>	70,8	105,1	107,5	123,3	138,3	154,5
PROPERTY TAX	365,6	500,9	482,5	516,5	526,5	536,5
<i>Land tax</i>	184,6	193,6	185,0	195,0	195,0	195,0
<i>Taxes on immovable property</i>	179,6	306,0	297,0	320,0	330,0	340,0
<i>Private tax</i>	1,4	1,3	0,5	1,5	1,5	1,5
TAXES AND FEES ON GOODS AND SERVICES	859,2	592,0	554,9	655,0	677,0	701,3
Value Added Tax	58,8	81,3	73,3	112,0	121,5	132,2
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	58,8	81,3	73,3	112,0	121,5	132,2
Excise	0,7	3,0	2,7	3,0	3,5	4,0
<i>Excise on goods produced on the territory of the Republic of Moldova</i>	0,7	3,0	2,7	3,0	3,5	4,0
Fees for specific services	395,0	413,5	398,7	440,0	450,0	460,0
Fees and payments on permission to use goods, or perform certain activities	37,8	55,3	47,1	60,0	60,0	60,0
Other fees for goods and services	366,9	38,9	33,1	40,0	42,0	45,1
<i>Road tax</i>	331,9					
GRANTS	96,5	15,9	0,0	0,0	0,0	0,0
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	78,1	3,1				
GRANTS FROM INTERNATIONAL ORGANISATIONS	18,4	12,8				
OTHER REVENUE	587,3	618,8	532,1	654,0	674,0	694,0
of which						
REVENUE FROM PROPERTY	104,6	105,2	117,2	120,0	130,0	140,0
REVENUE FROM THE SALE OF GOODS AND SERVICES	350,6	380,3	378,0	410,0	420,0	430,0
TRANSFERS WITHIN THE NPB	8263,7	9552,5	9943,3	10535,0	11155,4	11699,8
Transfers received between the State budget and local budgets	8263,7	9552,5	9943,3	10535,0	11155,4	11699,8
II. EXPENDITURES	11314,7	13273,5	13848,8	14949,9	15853,6	16718,6
<i>Recurrent expenditures</i>	10789,7	12786,6	13750,0	14821,6	15719,1	16579,1
<i>Capital investment</i>	525,0	486,9	98,8	128,3	134,5	139,5
General State Services	1090,4	1201,1	1369,7	1463,5	1527,6	1588,3

<i>Recurrent expenditures</i>	1086,6	1195,3	1368,1	1462,4	1526,5	1587,2
<i>Capital investment</i>	3,8	5,8	1,6	1,1	1,1	1,1
External Affairs	2,1	1,8	1,8	1,9	2,0	2,0
<i>Recurrent expenditures</i>	2,1	1,8	1,8	1,9	2,0	2,0
<i>Capital investment</i>						
Debt service	63,3	36,7	66,3	127,2	128,3	121,3
<i>Recurrent expenditures</i>	63,3	36,7	66,3	127,2	128,3	121,3
<i>Transfers to the State Budget</i>		7,3				
<i>Capital investment</i>						
National defence	8,9	10,9	11,3	12,6	12,9	13,2
<i>Recurrent expenditures</i>	8,9	10,9	11,3	12,6	12,9	13,2
<i>Capital investment</i>						
Public Order	10,9	20,3	9,7	15,8	16,1	16,5
<i>Recurrent expenditures</i>	10,9	19,5	9,7	15,8	16,1	16,5
<i>Capital investment</i>		0,8				
General Economic Services	-96,9	-121,1	-113,6	-113,6	-116,2	-119,0
<i>Recurrent expenditures</i>	-98,0	-122,7	-113,6	-113,6	-116,2	-119,0
<i>Capital investment</i>	1,1	1,6				
Agriculture	39,1	33,4	25,7	36,6	38,8	41,5
<i>Recurrent expenditures</i>	31,0	31,8	24,9	35,7	37,9	40,6
<i>Transfers to the State Budget</i>				4,7	3,9	3,1
<i>Capital investment</i>	8,1	1,6	0,8	0,9	0,9	0,9
Energy	6,0	30,8	6,9	6,9	7,1	7,3
<i>Recurrent expenditures</i>	0,8	4,9	6,9	1,1	1,2	1,4
<i>Capital investment</i>	5,2	25,9		5,8	5,9	5,9
Mining, Manufacturing and Construction	23,6	26,2	35,7	45,7	46,8	48
<i>Recurrent expenditures</i>	22,4	26,2	35,7	38,3	39,4	40,6
<i>Capital investment</i>	1,2			7,4	7,4	7,4
Transports	869,4	1386,9	1444	1715,2	1825,6	1902,4
<i>Recurrent expenditures</i>	839,8	1366,2	1444,0	1708,3	1818,7	1895,5
<i>Capital investment</i>	29,6	20,7		6,9	6,9	6,9
Environment Protection	30,6	54,5	26,5	35,2	36,0	37,0
<i>Recurrent expenditures</i>	20,4	34,1	26,5	22,1	23,0	24,0
<i>Capital investment</i>	10,2	20,4		13,1	13,0	13,0
Housing and Community Amenities	1002,3	1140,2	1169,0	1195,1	1231,5	1273,3
<i>Recurrent expenditures</i>	605,3	816,7	1154,8	1139,3	1169,5	1206,3
<i>including Transfers to the State Budget</i>	1,4	0,8				
<i>Capital investment</i>	397,0	323,5	14,2	55,8	62,0	67,0
Health	76,8	141,3	117,1	141,1	144,6	148,7
<i>Recurrent expenditures</i>	76,1	140,3	117,1	137,6	141,1	145,2
<i>Capital investment</i>	0,7	1,0		3,5	3,5	3,5
Youth and Sport	224,6	280,3	281,1	286,8	303,4	324,2
<i>Recurrent expenditures</i>	218,4	255,5	243,6	270,8	287,4	308,2
<i>Capital investment</i>	6,2	24,8	37,5	16,0	16,0	16,0
Culture	476,6	556	603,3	652,3	667,2	685,3
<i>Recurrent expenditures</i>	450,4	543,7	572,3	648,3	663,2	681,3

<i>Capital investment</i>	26,2	12,3	31,0	4,0	4,0	4,0
Education	6571,8	7468,9	7746,9	8177,1	8780,0	9370,7
<i>Recurrent expenditures</i>	6536,2	7421,3	7733,2	8163,3	8766,2	9356,9
<i>including Transfers to the State Budget</i>	9,7	10,9	9,4	11,2	1,6	
<i>Capital investment</i>	35,6	47,6	13,7	13,8	13,8	13,8
Social Protection	913,3	1003,2	1045,3	1148,4	1199,7	1255,7
<i>Recurrent expenditures</i>	913,2	1002,4	1045,3	1148,4	1199,7	1255,7
<i>Capital investment</i>	0,1	0,8				
Science and Innovation	1,9	2,1	2,1	2,1	2,2	2,2
<i>Recurrent expenditures</i>	1,9	2,0	2,1	2,1	2,2	2,2
<i>Capital investment</i>		0,1				
III. Budget Balance (1-2)	738,3	188,0	0,0	0,0	0,0	0,0
IV. Funds, total (4+5+9)	-738,3	-186,9	0,0	0,0	0,0	0,0
FINANCIAL ASSETS	25,8	16,1	2,0	0,0	0,0	0,0
INTERNAL ACCOUNTS RECEIVABLES	18,2	5,9	2,0	0,0	0,0	0,0
<i>Shares and other types of equity participation within the country, total</i>	18,2	5,9	2,0	0,0	0,0	0,0
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	-3,6	-1,7				
<i>Privatization of public property</i>	21,8	7,6	2,0			
CHANGES IN FOREIGN EXCHANGE RATES	0,7	-0,2				
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	6,9	10,4				
DEBTS	-341,7	-38,1	302,4	132,1	-201,9	-268,8
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-316,9	-47,1	150,0	20,0	-6,7	-6,7
DOMESTIC ON-LENDING BETWEEN BUDGETS	-33,5	-37,5	-41,6	-49,2	-55,4	-62,0
EXTERNAL/FOREIGN LOANS	8,7	46,5	194,0	161,3	-139,8	-200,1
<i>Receiving Foreign Loan</i>	55,2	98,2	261,2	337,0	59,0	0,0
<i>Foreign Loan Repayment</i>	-46,5	-51,7	-67,2	-175,7	-198,8	-200,1
CHANGES OF CASH FLOW BUDGET	-422,4	-164,9	-304,4	-132,1	201,9	268,8

Estimates of Local Budgets, 2016-2021

Share in GDP (%)

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	8,9	9,0	8,7	8,4	8,2	7,9
TAXES AND FEES	2,3	2,2	2,1	2,1	2,1	2,0
INCOME TAX	1,4	1,5	1,5	1,5	1,5	1,5
<i>Personal income tax</i>	1,3	1,4	1,4	1,4	1,4	1,4
<i>Corporate tax</i>	0,1	0,1	0,1	0,1	0,1	0,1
PROPERTY TAX	0,3	0,3	0,3	0,3	0,3	0,3
<i>Land tax</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Tax on immovable property</i>	0,1	0,2	0,2	0,2	0,2	0,2
<i>Private tax</i>	0,0	0,0	0,0	0,0	0,0	0,0
TAXES AND FEES ON GOODS AND SERVICES	0,6	0,4	0,3	0,4	0,3	0,3
Value Added Tax	0,0	0,1	0,0	0,1	0,1	0,1
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	0,0	0,1	0,0	0,1	0,1	0,1
Excise	0,0	0,0	0,0	0,0	0,0	0,0
<i>Excise on goods produced on the territory of the Republic of Moldova</i>	0,0	0,0	0,0	0,0	0,0	0,0
Fees for specific services	0,3	0,3	0,2	0,2	0,2	0,2
Fees and payments on permission to use goods, or perform certain activities	0,0	0,0	0,0	0,0	0,0	0,0
Other fees for goods and services	0,3	0,0	0,0	0,0	0,0	0,0
<i>Road tax</i>	0,2					
GRANTS	0,1	0,0				
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,1	0,0				
GRANTS FROM INTERNATIONAL ORGANISATIONS	0,0	0,0				
OTHER REVENUE	0,4	0,4	0,3	0,4	0,3	0,3
of which						
REVENUE FROM PROPERTY	0,1	0,1	0,1	0,1	0,1	0,1
REVENUE FROM THE SALE OF GOODS AND SERVICES	0,3	0,3	0,2	0,2	0,2	0,2
TRANSFERS WITHIN THE NPB	6,1	6,4	6,2	5,9	5,8	5,5
Transfers received between the State budget and local budgets	6,1	6,4	6,2	5,9	5,8	5,5
II. EXPENDITURES	8,4	8,8	8,7	8,4	8,2	7,9
<i>Recurrent expenditures</i>	8,0	8,5	8,6	8,3	8,1	7,8
<i>Capital investment</i>	0,4	0,3	0,1	0,1	0,1	0,1
General State Services	0,8	0,8	0,9	0,8	0,8	0,8
<i>Recurrent expenditures</i>	0,8	0,8	0,9	0,8	0,8	0,8
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0

External Affairs	0,002	0,001	0,001	0,001	0,001	0,001
<i>Recurrent expenditures</i>	0,002	0,001	0,001	0,001	0,001	0,001
<i>Capital investment</i>						
Debt service	0,05	0,02	0,04	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,05	0,02	0,04	0,1	0,1	0,1
<i>Transfers to the State Budget</i>		0,005				
<i>Capital investment</i>						
National defence	0,01	0,01	0,01	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,01	0,01	0,01	0,01	0,01	0,01
<i>Capital investment</i>						
Public Order	0,01	0,01	0,01	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,01	0,01	0,01	0,01	0,01	0,01
<i>Capital investment</i>		0,0				
General Economic Services	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1
<i>Recurrent expenditures</i>	-0,1	-0,1	-0,1	-0,1	-0,1	-0,1
<i>Capital investment</i>	0,0	0,0				
Agriculture	0,03	0,02	0,02	0,02	0,02	0,02
<i>Recurrent expenditures</i>	0,02	0,02	0,02	0,02	0,02	0,02
<i>Capital investment</i>	0,01					
Energy	0,004	0,02	0,004	0,004	0,004	0,003
<i>Recurrent expenditures</i>	0,001	0,0	0,004	0,001	0,001	0,001
<i>Capital investment</i>	0,004	0,02		0,003	0,003	0,002
Mining, Manufacturing and Construction	0,02	0,02	0,02	0,03	0,02	0,02
<i>Recurrent expenditures</i>	0,02	0,02	0,02	0,02	0,02	0,02
<i>Capital investment</i>				0,0	0,0	0,0
Transports	0,6	0,9	0,9	1,0	0,9	0,9
<i>Recurrent expenditures</i>	0,6	0,9	0,9	1,0	0,9	0,9
<i>Capital investment</i>	0,02	0,01		0,0	0,0	0,0
Environment Protection	0,02	0,04	0,02	0,02	0,02	0,02
<i>Recurrent expenditures</i>	0,02	0,02	0,02	0,01	0,01	0,01
<i>Capital investment</i>	0,0	0,01		0,01	0,01	0,01
Housing and Community Amenities	0,7	0,8	0,7	0,7	0,6	0,6
<i>Recurrent expenditures</i>	0,4	0,5	0,7	0,6	0,6	0,6
<i>including Transfers to the State Budget</i>	0,0	0,0				
<i>Capital investment</i>	0,3	0,2	0,01	0,03	0,03	0,03
Health	0,1	0,1	0,1	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Capital investment</i>	0,0	0,0		0,0	0,0	0,0
Youth and Sport	0,2	0,2	0,2	0,2	0,2	0,2
<i>Recurrent expenditures</i>	0,2	0,2	0,2	0,2	0,1	0,1
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Culture	0,4	0,4	0,4	0,4	0,3	0,3
<i>Recurrent expenditures</i>	0,3	0,4	0,4	0,4	0,3	0,3
<i>Capital investment</i>	0,02	0,01	0,02	0,0	0,0	0,0
Education	4,9	5,0	4,8	4,6	4,5	4,4
<i>Recurrent expenditures</i>	4,8	4,9	4,8	4,6	4,5	4,4

<i>including Transfers to the State Budget</i>	0,01	0,01	0,01	0,01	0,0	
<i>Capital investment</i>	0,03	0,03	0,01	0,01	0,01	0,01
Social Protection	0,7	0,7	0,7	0,6	0,6	0,6
<i>Recurrent expenditures</i>	0,7	0,7	0,7	0,6	0,6	0,6
<i>Capital investment</i>	0,0	0,0				
Science and Innovation	0,001	0,001	0,001	0,001	0,001	0,001
<i>Recurrent expenditures</i>	0,001	0,001	0,001	0,001	0,001	0,001
<i>Capital investment</i>						
III. Budget Balance (1-2)						
IV. Funds, total (4+5+9)	-0,5	-0,1				
FINANCIAL ASSETS	0,0	0,0	0,0			
INTERNAL ACCOUNTS RECEIVABLES	0,0	0,0	0,0			
<i>Shares and other types of equity participation within the country, total</i>	0,0	0,0	0,0			
<i>including:</i>						
<i>Increase in shares and equity participation within the country</i>	0,0	0,0				
<i>Privatization of public property</i>	0,0	0,0	0,0			
CHANGES IN FOREIGN EXCHANGE RATES	0,0	0,0				
DOMESTIC ON-LENDING BETWEEN FINANCIAL AND NON-FINANCIAL INSTITUTIONS	0,0	0,0				
DEBTS	-0,3	0,0	0,2	0,1	-0,1	-0,1
DOMESTIC BORROWING FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS	-0,2	0,0	0,1	0,0	0,0	0,0
DOMESTIC ON-LENDING BETWEEN BUDGETS	0,0	0,0	0,0	0,0	0,0	0,0
EXTERNAL/FOREIGN LOANS	0,0	0,0	0,1	0,1	-0,1	-0,1
<i>Receiving Foreign Loan</i>	0,0	0,1	0,2	0,2	0,0	
<i>Foreign Loan Repayment</i>	0,0	0,0	0,0	-0,1	-0,1	-0,1
CHANGES OF CASH FLOW BUDGET	-0,3	-0,1	-0,2	-0,1	0,1	0,1

Estimates of Local Budgets, 2016-2021

Indicators	% in total					
	Executed 2016	Executed 2017	Estimates 2018	Estimates 2019 2020 2021		
I. REVENUE	100,0	100,0	100,0	100,0	100,0	100,0
TAXES AND FEES	25,8	24,3	24,4	25,2	25,4	25,9
INCOME TAX	15,6	16,2	16,9	17,3	17,8	18,5
<i>Personal income tax</i>	15,0	15,4	16,1	16,5	16,9	17,5
<i>Corporate tax</i>	0,6	0,8	0,8	0,8	0,9	0,9
PROPERTY TAX	3,0	3,7	3,5	3,5	3,3	3,2
<i>Land tax</i>	1,5	1,4	1,3	1,3	1,2	1,2
<i>Tax on immovable property</i>	1,5	2,3	2,1	2,1	2,1	2,0
<i>Private tax</i>	0,01	0,01	0,00	0,01	0,01	0,01
TAXES AND FEES ON GOODS AND SERVICES	7,1	4,4	4,0	4,4	4,3	4,2
Value Added Tax	0,5	0,6	0,5	0,7	0,8	0,8
<i>Value added tax on goods and services produced on the territory of the Republic of Moldova</i>	0,5	0,6	0,5	0,7	0,8	0,8
Excise	0,01	0,02	0,02	0,02	0,02	0,02
<i>Excise on goods produced on the territory of the Republic of Moldova</i>	0,01	0,02	0,02	0,02	0,02	0,02
Fees for specific services	3,3	3,1	2,9	2,9	2,8	2,8
Fees and payments on permission to use goods, or perform certain activities	0,3	0,4	0,3	0,4	0,4	0,4
Other fees for goods and services	3,0	0,3	0,2	0,3	0,3	0,3
<i>Road tax</i>	2,8	0,0	0,0	0,0	0,0	0,0
GRANTS	0,8	0,1	0,0	0,0	0,0	0,0
GRANTS FROM THE GOVERNMENTS OF OTHER STATES	0,6	0,0	0,0	0,0	0,0	0,0
GRANTS FROM INTERNATIONAL ORGANISATIONS	0,2	0,1	0,0	0,0	0,0	0,0
OTHER REVENUE	4,9	4,6	3,8	4,4	4,3	4,2
of which	0,0	0,0	0,0	0,0	0,0	0,0
REVENUE FROM PROPERTY	0,9	0,8	0,8	0,8	0,8	0,8
REVENUE FROM THE SALE OF GOODS AND SERVICES	2,9	2,8	2,7	2,7	2,6	2,6
TRANSFERS WITHIN THE NPB	68,6	71,0	71,8	70,5	70,4	70,0
Transfers received between the State budget and local budgets	68,6	71,0	71,8	70,5	70,4	70,0
II. EXPENDITURES	100,0	100,0	100,0	100,0	100,0	100,0
<i>Recurrent expenditures</i>	95,4	96,3	99,3	99,1	99,2	99,2
<i>Capital investment</i>	4,6	3,7	0,7	0,9	0,8	0,8
General State Services	9,6	9,0	9,9	9,8	9,6	9,5
<i>Recurrent expenditures</i>	9,6	9,0	9,9	9,8	9,6	9,5
<i>Capital investment</i>	0,03	0,04	0,01	0,01	0,01	0,01

External Affairs	0,02	0,01	0,01	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,02	0,01	0,01	0,01	0,01	0,01
<i>Capital investment</i>	0,00	0,00	0,00	0,00	0,00	0,00
Debt service	0,6	0,3	0,5	0,9	0,8	0,7
<i>Recurrent expenditures</i>	0,6	0,3	0,5	0,9	0,8	0,7
<i>including Transfers to the State Budget</i>	0,0	0,1	0,0	0,0	0,0	0,0
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
National defence	0,1	0,1	0,1	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Public Order	0,1	0,2	0,1	0,1	0,1	0,1
<i>Recurrent expenditures</i>	0,1	0,1	0,1	0,1	0,1	0,1
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
General Economic Services	-0,9	-0,9	-0,8	-0,8	-0,7	-0,7
<i>Recurrent expenditures</i>	-0,9	-0,9	-0,8	-0,8	-0,7	-0,7
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Agriculture	0,3	0,3	0,2	0,2	0,2	0,2
<i>Recurrent expenditures</i>	0,3	0,2	0,2	0,2	0,2	0,2
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Energy	0,1	0,2	0,0	0,0	0,0	0,0
<i>Recurrent expenditures</i>	0,0	0,0	0,0	0,0	0,0	0,0
<i>Capital investment</i>	0,0	0,2	0,0	0,0	0,0	0,0
Mining, Manufacturing and Construction	0,2	0,2	0,3	0,3	0,3	0,3
<i>Recurrent expenditures</i>	0,2	0,2	0,3	0,3	0,2	0,2
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Transports	7,7	10,4	10,4	11,5	11,5	11,4
<i>Recurrent expenditures</i>	7,4	10,3	10,4	11,4	11,5	11,3
<i>Capital investment</i>	0,3	0,2	0,0	0,0	0,0	0,0
Environment Protection	0,3	0,4	0,2	0,2	0,2	0,2
<i>Recurrent expenditures</i>	0,2	0,3	0,2	0,1	0,1	0,1
<i>Capital investment</i>	0,1	0,2	0,0	0,1	0,1	0,1
Housing and Community Amenities	8,9	8,6	8,4	8,0	7,8	7,6
<i>Recurrent expenditures</i>	5,3	6,2	8,3	7,6	7,4	7,2
<i>including Transfers to the State Budget</i>	0,0	0,0	0,0	0,0	0,0	0,0
<i>Capital investment</i>	3,5	2,4	0,1	0,4	0,4	0,4
Health	0,7	1,1	0,8	0,9	0,9	0,9
<i>Recurrent expenditures</i>	0,7	1,1	0,8	0,9	0,9	0,9
<i>Capital investment</i>	0,0	0,0	0,0	0,0	0,0	0,0
Youth and Sport	2,0	2,1	2,0	1,9	1,9	1,9
<i>Recurrent expenditures</i>	1,9	1,9	1,8	1,8	1,8	1,8
<i>Capital investment</i>	0,1	0,2	0,3	0,1	0,1	0,1
Culture	4,2	4,2	4,4	4,4	4,2	4,1
<i>Recurrent expenditures</i>	4,0	4,1	4,1	4,3	4,2	4,1
<i>Capital investment</i>	0,2	0,1	0,2	0,0	0,0	0,0
Education	58,1	56,3	55,9	54,7	55,4	56,0
<i>Recurrent expenditures</i>	57,8	55,9	55,8	54,6	55,3	56,0

<i>including Transfers to the State Budget</i>	0,1	0,1	0,1	0,1	0,0	0,0
<i>Capital investment</i>	0,3	0,4	0,1	0,1	0,1	0,1
Social Protection	8,1	7,6	7,5	7,7	7,6	7,5
<i>Recurrent expenditures</i>	8,1	7,6	7,5	7,7	7,6	7,5
<i>Capital investment</i>	0,00	0,01	0,00	0,00	0,00	0,00
Science and Innovation	0,02	0,02	0,02	0,01	0,01	0,01
<i>Recurrent expenditures</i>	0,02	0,02	0,02	0,01	0,01	0,01
<i>Capital investment</i>	0,00	0,00	0,00	0,00	0,00	0,00
III. Budget Balance (1-2)						

Estimates of the State Social Insurance Budget, 2016-2021

MDL
million

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	15060,6	17818,7	19312,5	20713,2	21910,6	23048,3
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	10036,6	11864,0	12546,0	13815,6	15058,7	16508,9
MANDATORY SOCIAL INSURANCE CONTRIBUTIONS	10036,6	11864,0	12546,0	13815,6	15058,7	16508,9
Mandatory state social contributions transferred by employers	7883,4	9295,0	9846,0	10746,3	11713,5	12849,6
Individuals' mandatory state social contributions	2032,6	2460,3	2583,2	2943,3	3208,2	3519,3
Mandatory state social contributions transferred by free-lancers	120,6	108,7	116,8	126,0	137,0	140,0
OTHER REVENUE	8,0	13,7	8,0	34,1	36,4	39,1
REVENUE FROM PROPERTY	1,9	2,1	2,0	1,0	1,0	1,0
FINES AND PENALTIES	2,7	8,3		8,0	8,0	8,0
OTHER REVENUE	3,4	3,3	6,0	25,1	27,4	30,1
TRANSFERS WITHIN THE NPB	5016,0	5941,0	6758,5	6863,5	6815,5	6500,3
Transfers within the Central Consolidated Budget	5016,0	5941,0	6758,5	6863,5	6815,5	6500,3
Transfers between the State Budget and the State Social Insurance Budget	5016,0	5941,0	6758,5	6863,5	6815,5	6500,3
Current transfers with special purpose between the State Budget and the State Social Insurance Budget	3675,4	5042,4	5429,1	5595,8	5872,7	6182,8
Current transfers with general purpose between the State Budget and the State Social Insurance Budget stat	1340,6	898,6	1329,4	1267,7	942,8	317,5
II. EXPENDITURES	14964,7	17614,5	19312,5	20713,2	21910,6	23048,3
Recurrent expenditures	14959,5	17613,4	19308,2	20708,8	21906,2	23043,9
Capital investment	5,2	1,1	4,3	4,4	4,4	4,4
“Social Protection” Sector	14964,7	17614,5	19312,5	20713,2	21910,6	23048,3
Recurrent expenditures	14959,5	17613,4	19308,2	20708,8	21906,2	23043,9
Capital investment	5,2	1,1	4,3	4,4	4,4	4,4
III. Budget Balance (1-2)	95,9	204,2	0,0	0,0	0,0	0,0
IV. Funds, total (4+5+9)	-95,9	-204,2	0,0	0,0	0,0	0,0
CHANGES OF CASH FLOW BUDGET	-95,9	-204,2	0,0	0,0	0,0	0,0

Estimates of the State Social Insurance Budget, 2016-2021

Share in GDP (%)

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	11,1	11,8	12,1	11,6	11,3	10,9
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	7,4	7,9	7,8	7,8	7,8	7,8
SOCIAL INSURANCE CONTRIBUTIONS	7,4	7,9	7,8	7,8	7,8	7,8
Mandatory state social contributions transferred by employers	5,8	6,2	6,1	6,0	6,0	6,1
Individuals' mandatory state social contributions	1,5	1,6	1,6	1,7	1,7	1,7
Mandatory state social contributions transferred by unemployed persons	0,1	0,1	0,1	0,1	0,1	0,1
OTHER REVENUE	0,01	0,01	0,00	0,02	0,02	0,02
REVENUE FROM PROPERTY	0,00	0,00	0,00	0,00	0,00	0,00
FINES AND PENALTIES	0,00	0,01	0,00	0,00	0,00	0,00
OTHER REVENUE	0,00	0,00	0,00	0,01	0,01	0,01
TRANSFERS WITHIN THE NPB	3,7	4,0	4,2	3,9	3,5	3,1
Transfers within the Central Consolidated Budget	3,7	4,0	4,2	3,9	3,5	3,1
Transfers between the State Budget and the State Social Insurance Budget	3,7	4,0	4,2	3,9	3,5	3,1
Current transfers with special purpose between the State Budget and the State Social Insurance Budget	2,7	3,4	3,4	3,1	3,0	2,9
Current transfers with general purpose between the State Budget and the State Social Insurance Budget stat	1,0	0,6	0,8	0,7	0,5	0,2
II. EXPENDITURES	11,1	11,7	12,1	11,6	11,3	10,9
Recurrent expenditures	11,0	11,7	12,1	11,6	11,3	10,9
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0
“Social Protection” Sector	11,1	11,7	12,1	11,6	11,3	10,9
Recurrent expenditures	11,0	11,7	12,1	11,6	11,3	10,9
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0
III. Budget Balance (1-2)	0,1	0,1	0,0	0,0	0,0	0,0
IV. Funds, total (4+5+9)	-0,1	-0,1	0,0	0,0	0,0	0,0
CHANGES OF CASH FLOW BUDGET	-0,1	-0,1	0,0	0,0	0,0	0,0

Estimates of the State Social Insurance Budget, 2016-2021

% in total

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	100,0	100,0	100,0	100,0	100,0	100,0
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	66,6	66,6	65,0	66,7	68,7	71,6
SOCIAL INSURANCE CONTRIBUTIONS	66,6	66,6	65,0	66,7	68,7	71,6
Mandatory state social contributions transferred by employers	52,3	52,2	51,0	51,9	53,5	55,8
Individuals' mandatory state social contributions	13,5	13,8	13,4	14,2	14,6	15,3
Mandatory state social contributions transferred by unemployed persons	0,8	0,6	0,6	0,6	0,6	0,6
OTHER REVENUE	0,05	0,08	0,04	0,16	0,17	0,17
REVENUE FROM PROPERTY	0,01	0,01	0,01	0,00	0,00	0,00
FINES AND PENALTIES	0,02	0,05	0,00	0,04	0,04	0,03
OTHER REVENUE	0,02	0,02	0,03	0,12	0,13	0,13
TRANSFERS WITHIN THE NPB	33,3	33,3	35,0	33,1	31,1	28,2
Transfers within the Central Consolidated Budget	33,3	33,3	35,0	33,1	31,1	28,2
Transfers between the State Budget and the State Social Insurance Budget	33,3	33,3	35,0	33,1	31,1	28,2
Current transfers with special purpose between the State Budget and the State Social Insurance Budget	24,4	28,3	28,1	27,0	26,8	26,8
Current transfers with general purpose between the State Budget and the State Social Insurance Budget stat	8,9	5,0	6,9	6,1	4,3	1,4
II. EXPENDITURES	100,0	100,0	100,0	100,0	100,0	100,0
Recurrent expenditures	100,0	100,0	100,0	100,0	100,0	100,0
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0
“Social Protection” Sector	100,0	100,0	100,0	100,0	100,0	100,0
Recurrent expenditures	100,0	100,0	100,0	100,0	100,0	100,0
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0

Estimates of the Mandatory Medical Insurance Fund, 2016-2021

MDL
million

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	5764,2	6256,6	6659,0	7124,0	7596,2	8185,2
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	3240,2	3648,4	3923,7	4256,4	4635,2	5076,2
PRIME DE ASIGURARE OBLIGATORIE DE ASISTENȚĂ MEDICALĂ	3240,2	3648,4	3923,7	4256,4	4635,2	5076,2
Mandatory health insurance premiums as a percentage contribution to salary and other reward, paid by employers and employees	3153,0	3541,8	3834,0	4151,4	4528,2	4966,2
Mandatory health insurance premiums in fixed amount paid by individuals	87,2	106,6	89,7	105,0	107,0	110,0
OTHER REVENUE	11,3	15,2	7,3	13,1	13,5	14,0
REVENUE FROM PROPERTY	11,3	4,2	2,0	4,0	4,0	4,0
FINES AND PENALTIES		3,2	1,7	3,0	3,0	3,0
OTHER REVENUE		7,8	3,6	6,1	6,5	7,0
TRANSFERS WITHIN THE NPB	2512,7	2593,0	2728,0	2854,5	2947,5	3095,0
Transfers within the Central Consolidated Budget	2512,7	2593,0	2728,0	2854,5	2947,5	3095,0
Transfers between the State Budget and Mandatory Health Insurance Funds	2512,7	2593,0	2728,0	2854,5	2947,5	3095,0
Current transfers with special purpose between the State Budget and Mandatory Health Insurance Funds	2369,9	2525,7	2634,2	2742,2	2871,1	3014,7
Current transfers with general purpose between the State Budget and Mandatory Health Insurance Funds	142,8	67,3	93,8	112,3	76,4	80,3
II. EXPENDITURES	5673,5	6260,8	6659,0	7124,0	7596,2	8185,2
Recurrent expenditures	5668,4	6259,1	6655,0	7120,0	7592,2	8181,2
Capital investment	5,1	1,7	4,0	4,0	4,0	4,0
“Health” Sector	5.673,5	6.260,8	6.659,0	7.124,0	7.596,2	8.185,2
Recurrent expenditures	5668,4	6259,1	6655,0	7120,0	7592,2	8181,2
Capital investment	5,1	1,7	4,0	4,0	4,0	4,0
III. Budget Balance (1-2)	90,7	-4,2				
IV. Funds, total (4+5+9)	-90,7	4,2				

Estimates of the Mandatory Medical Insurance Fund, 2016-2021

Share in GDP (%)

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	4,3	4,2	4,2	4,0	3,7	3,9
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	2,4	2,4	2,5	2,4	2,2	2,4
MANDATORY HEALTH INSURANCE PREMIUMS	2,4	2,4	2,5	2,4	2,2	2,4
Mandatory health insurance premiums as a percentage contribution to salary and other reward, paid by employers and employees	2,3	2,4	2,4	2,3	2,1	2,3
Mandatory health insurance premiums in fixed amount paid by individuals with residence in the Republic of Moldova	0,1	0,1	0,1	0,1	0,1	0,1
OTHER REVENUE	0,0	0,0	0,0	0,0	0,0	0,0
REVENUE FROM PROPERTY	0,01	0,00	0,00	0,00	0,00	0,00
FINES AND PENALTIES		0,00	0,00	0,00	0,00	0,00
OTHER REVENUE		0,01	0,00	0,00	0,00	0,00
TRANSFERS WITHIN THE NPB	1,9	1,7	1,7	1,6	1,5	1,5
Transfers within the Central Consolidated Budget	1,9	1,7	1,7	1,6	1,5	1,5
Transfers between the State Budget and Mandatory Health Insurance Funds	1,9	1,7	1,7	1,6	1,5	1,5
Current transfers with special purpose between the State Budget and Mandatory Health Insurance Funds	1,8	1,7	1,6	1,5	1,4	1,4
Current transfers with general purpose between the State Budget and Mandatory Health Insurance Funds	0,1	0,0	0,1	0,1	0,1	0,0
II. EXPENDITURES	4,2	4,2	4,2	4,0	3,7	3,9
Recurrent expenditures	4,2	4,2	4,2	4,0	3,7	3,9
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0
„Health” Sector	4,2	4,2	4,2	4,0	3,7	3,9
Recurrent expenditures	4,2	4,2	4,2	4,0	3,7	3,9
Capital investment	0,0	0,0	0,0	0,0	0,0	0,0
III. Budget Balance (1-2)	0,1	0,0				
IV. Funds, total (4+5+9)	-0,1	0,0				

Estimates of the Mandatory Medical Insurance Fund, 2016-2021

% in total

Indicators	Executed	Executed	Approved	Estimates		
	2016	2017	2018	2019	2020	2021
I. REVENUE	100,0	100,0	100,0	100,0	100,0	100,0
SOCIAL INSURANCE CONTRIBUTIONS AND PREMIUMS	56,2	58,3	58,9	59,7	61,0	62,0
MANDATORY HEALTH INSURANCE PREMIUMS	56,2	58,3	58,9	59,7	61,0	62,0
Mandatory health insurance premiums as a percentage contribution to salary and other reward, paid by employers and employees	54,7	56,6	57,6	58,3	59,6	60,7
Mandatory health insurance premiums in fixed amount paid by individuals with residence in the Republic of Moldova	1,5	1,7	1,3	1,5	1,4	1,3
OTHER REVENUE	0,2	0,2	0,1	0,2	0,2	0,2
REVENUE FROM PROPERTY	0,2	0,1	0,0	0,1	0,1	0,0
FINES AND PENALTIES	0,0	0,1	0,0	0,0	0,0	0,0
OTHER REVENUE	0,0	0,1	0,1	0,1	0,1	0,1
Transfers within the Central Consolidated Budget	43,6	41,4	41,0	40,1	38,8	37,8
Transfers between the State Budget and Mandatory Health Insurance Funds	43,6	41,4	41,0	40,1	38,8	37,8
Current transfers with special purpose between the State Budget and Mandatory Health Insurance Funds	43,6	41,4	41,0	40,1	38,8	37,8
Current transfers with general purpose between the State Budget and Mandatory Health Insurance Funds	41,1	40,4	39,6	38,5	37,8	36,8
II. EXPENDITURES	100,0	100,0	100,0	100,0	100,0	100,0
Recurrent expenditures	99,9	100,0	99,9	99,9	99,9	100,0
Capital investment	0,1	0,0	0,1	0,1	0,1	0,0
“Health” Sector	100,0	100,0	100,0	100,0	100,0	100,0
Recurrent expenditures	99,9	100,0	99,9	99,9	99,9	100,0
Capital investment	0,1	0,0	0,1	0,1	0,1	0,0

Spending limits and the main sector priorities/measures 2019-21

(MDL thousand)

Priorities and actions/measures proposed to be taken in the medium term to achieve the priorities/objectives	Total cost/policy impact estimated over the period 2019-21		
	2019	2020	2021
1	2	3	4
“GENERAL STATE SERVICES” SECTOR			
Main sectoral priorities			
<i>Public Administration Reform</i>			
<i>Improving electoral management, modernizing and automating electoral processes</i>			
<i>Carrying out the agricultural and population censuses</i>			
<i>Implementation of information systems in the public sector</i>			
<i>Strengthening public finance management</i>			
<i>Guaranteeing human rights and fundamental freedoms</i>			
<i>Country's reintegration</i>			
<i>Increase in state material reserves, creation of emergency stocks of petroleum products</i>			
A. Baseline estimated by the Ministry of Finances	4089446,0	4033437,4	3920267,7
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	93574,5	104573,4	113754,6
1. Modernizing information systems and implementing the e-Parliament concept (PDS 2017-2019)	1500,0	1500,0	1500,0
2. Organizational, informational and technical assistance to the work of Parliament, the Permanent Bureau, Parliamentary Committees and Deputies	3000,0	3000,0	3000,0
3. Major repair of the building on 37 Sfatul Tarii Street, (the Parliament building)	7000,0	8200,0	
4. Developing IT systems and purchasing software and computers (CCRM)	3449,5	3000,0	3000,0
5. Providing funds necessary for repairing the buildings managed by the General Directorate for Government Buildings Administration	7381,1		
6. Ensuring the maintenance of the means of transport of the State Chancellery	2607,5	2607,5	2607,5
7. Major repair of the Statistics Department building of Balti Municipality	1000,0	1000,0	1000,0
8. Promoting the Ombudsman for children's rights	100,0	100,0	100,0
9. Elaboration of the thematic study: monitoring the observance of children's right to work	364,0		
10. Human rights monitoring	90,0	90,0	90,0
11. Elaborating the normative framework on integrity alerts and holding relevant trainings	50,0	40,0	30,0
12. Elaboration of the study on citizens' perceptions on the observance of human rights in the Republic of Moldova		150,0	

13. Monitoring the preventing of torture and abuse	300,0	300,0	300,0
14. Developing working tools for monitoring detention places and providing training for the persons concerned	300,0	300,0	300,0
15. Trainings in human rights for target groups	200,0	200,0	200,0
16. Promoting the principles of "good governance"	200,0	200,0	200,0
17. Setting up an online human rights platform	140,0	140,0	140,0
18. Develop and implement the concept of TV programme in the field of human rights	400,0	400,0	400,0
19. Elaborating and conducting studies to assess population's perception concerning the work of the Ombudsperson	60,0		60,0
20. Implementation of electoral policy (electronic vote, licensed software)	3188,2	1000,0	1000,0
21. Elaboration / development of the Information Subsystem "Internet Voting"		10000,0	
22. The development, renewal and expansion of the Data Centre infrastructure, the remodelling of the existing SER (State Electoral Register) application and the modules of the "Elections" State Automated Information System		1000,0	1000,0
23. Local elections, twice a year		1000,0	1000,0
24. Procurement of uniform, footwear for customs officers	5000,0	5000,0	5000,0
25. Acquisition of linear accelerators for Rapiscaie	9000,0	13500,0	
26. Acquisition of acclimatizers for server storage rooms	1000,0		
27. Purchasing of computers	2000,0		
28. Development of the information system and modernization of the IT infrastructure within the Customs Service	20040,0		
29. Payment of the daily allowance for customs officers exercising their service duties on the Moldovan-Ukrainian border (PV Novosavitcaia-Cuciurgan - 18 units and Goianul Nou-Platonova - 16 units)	2448,0	2448,0	2448,0
30. Compensation of Customs Service employees on diplomatic missions	1291,0	1347,1	1386,1
31. Ensuring the functionality of the State Tax Service (current repairs, capital repairs, procurement of 10 cars, computers - 250 units, multifunction machines - 100 units, multifunctional equipment, fuel, household materials and office supplies)	15215,0	15215,0	15215,0
32. Ensuring activity of the Constitutional Court	326,9		
33. Implementation of the Land Registration, Evaluation and Taxation Project	1699,0	17970,0	55530,0
34. Adjustments to transfers with general purpose		14865,8	18248,0
35. The "Strengthening the institutional framework of the Republic of Moldova in the field of migration and development" Project	69,3		

36. The "Support for Joint Technical Secretariat of the Joint Operational Programme Romania - Republic of Moldova 2014-2020" Project	4155,0		
C. New policy measures	27477,7	27477,7	27477,7
1. Creation of emergency stocks of petroleum products	20000,0	20000,0	20000,0
2. Reorganization of the "State Chancellery Transport Unit" Public Institution	1137,7	1137,7	1137,7
3. Ensuring the activity of the deputies' body in new constituencies	6340,0	6340,0	6340,0
TOTAL BY SECTOR of which	4210498,2	4165488,5	4061500,0
A. Baseline estimated by the Ministry of Finances	4089446,0	4033437,4	3920267,7
B. Additionally accepted policy measures	93574,5	104573,4	113754,6
C. New policy measures	27477,7	27477,7	27477,7
“EXTERNAL AFFAIRS” SECTOR			
Main sectoral priorities			
<i>Promoting national interests through diplomatic channels</i>			
<i>Ensure the honouring of the Republic of Moldova's commitments in international organizations</i>			
A. Baseline estimated by the Ministry of Finances	430004,8	455068,4	469783,9
TOTAL			
B. Additionally accepted policy measures TOTAL, of which:	1405,5	2515,0	2515,8
1. Repair works of Embassies of the Republic of Moldova in Germany, Czech Republic, Belgium	1405,5	2515,0	2515,8
C. New policy measures	28000,0	16000,0	17518,8
1. Strengthening and modernising the activity of the Ministry of Foreign Affairs and European Integration (extending the services provided to citizens by diplomatic missions and consulates of the Republic of Moldova through ICT)	18000,0	1000,0	1000,0
2. Implementation of capital investment projects (construction of the diplomatic mission in Belarus)	10000,0	15000,0	16518,8
TOTAL BY SECTOR of which:	459410,3	473583,4	489818,5
A. Baseline estimated by the Ministry of Finances	430004,8	455068,4	469783,9
B. Additionally accepted policy measures	1405,5	2515,0	2515,8
C. New policy measures	28000,0	16000,0	17518,8
“NATIONAL DEFENCE” SECTOR			
Main sectoral priorities			
<i>Development and modernisation of the National Army's defence capacity</i>			
<i>Increase and maintain the contribution of the Republic of Moldova to international peacekeeping missions and operations</i>			

A. Baseline estimated by the Ministry of Finances TOTAL	664633,0	673515,0	689578,3
B. Additionally accepted policy measures TOTAL, of which:	2766,0	4014,0	5256,0
1. Enhancing cooperation relations with external partners	1500,0	2700,0	3900,0
2. Implementation of the Agreement on the Participation of the Republic of Moldova in EU Crisis Management Operations	1266,0	1314,0	1356,0
C. New policy measures	104823,0	215865,0	293000,0
1. Gradual increase of the number of contracted troops	69625,0	181025,0	260160,0
2. Compensation for rental housing	18000,0	18000,0	18000,0
3. Reassessment of security and guard service	1800,0	1450,0	1450,0
4. Increase and maintain contributions to international peacekeeping missions and operations	3398,0	3390,0	9390,0
5. Improve and upgrade training centres	10000,0	10000,0	2000,0
6. Improve and develop the logistics system	2000,0	2000,0	2000,0
TOTAL BY SECTOR of which:	772222,0	893394,0	987834,3
A. Baseline estimated by the Ministry of Finances	664633,0	673515,0	689578,3
B. Additionally accepted policy measures	2766,0	4014,0	5256,0
C. New policy measures	104823,0	215865,0	293000,0
“PUBLIC ORDER” SECTOR			
„Public Order” area			
Main priorities in the area			
<i>The Public Order Bodies Reform</i>			
<i>Strengthening the state border management</i>			
<i>Development of fire and emergency response capabilities</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	2424876,2	2364822,5	2354821,2
B. Additionally accepted policy measures – TOTAL, of which:	266857,4	256355,0	166217,5
1. Development, endowment, improvement of the infrastructure and functional capabilities of the Police subdivisions	104885,0	87700,0	45700,0
2. Providing Reliable and Effective Communications for Operational Purposes within the Police	46000,0	38000,0	28000,0
3. Endowment of the Genetic-Judicial (DNA) Expertise Laboratory		29000,0	4300,0
4. Capacity building in the field of preventing and combating organised and cross-border crime	2000,0	3400,0	800,0
5. Elaboration of the integrated information system for the management of the criminal case electronic file	950,0		
6. Strengthening the technical-material, informational basis, improving infrastructure and logistics capabilities to ensure the functionality of the Carabineer Troop Department	15000,0	15000,0	15000,0
7. Equipping the specialised intervention team (INSARAG), capable to intervene abroad	4943,6		

8. Strengthen the joint patrolling of the state border with the representatives of the Ukrainian State Border Service	10000,0	8000,0	
9. Extend the number of border crossings managed jointly with the border authorities of the neighbouring countries (special equipment)	8314,3	3314,3	
10. Implementation, including through external assistance projects, of modern border control technologies and exchange of information	5000,0	5000,0	5000,0
11. Ensure the optimal working conditions of border guards	4000,0	4000,0	4000,0
12. Expanding the Radio Coverage of the Communications System (TETRA) of the Border Police on the Moldovan-Ukrainian border	9000,0	9000,0	9000,0
13. Development of the "AFIS" (fingerprint recording) Automated Information System	5443,0	4786,0	4470,0
14. Ensure the operation of telecommunication networks	7500,0	8000,0	9000,0
15. Maintenance of the "TETRA" Communications Network	2900,0	4300,0	4900,0
16. Strengthening and development of the "Migration and Asylum" Automated Integrated Information System	2500,0	2100,0	1850,0
17. Strengthening capacities in the area of migration and asylum	2451,5	2431,5	2431,5
18. Elaboration of tools for evaluation and coordination of the actions of the state authorities in cases of increased influx of migrants	1518,0	744,0	766,0
19. Completing Objects of Capital Investment	3000,0		
20. Government contribution to the implementation of projects financed from external sources	1452,0	1579,2	1000,0
21. Payment of the indemnity for renting the dwelling to civil servants with special status	30000,0	30000,0	30000,0
C. New policy measures	64547,5	43524,2	27500,0
1. Strengthening the First Response Capacities of the Police Subdivisions to Chemical, Biological, Radiological and Nuclear (CBRN) threat	5267,5	2228,0	
2. Creating the Population Notification System on the emergence of hazardous situations (based on Cell Broadcast technology)	2500,0		
3. Implementation of Advanced Passenger Information System (APIS) at Chisinau International Airport	13500,0	2500,0	2500,0
4. The maintenance of the TETRA infrastructure, which will be created in Phase II	5000,0	5000,0	5000,0
5. Maintenance of fixed surveillance systems	10000,0	10000,0	10000,0
6. Maintenance of Mobile Observation and Detection facilities	6000,0	6000,0	6000,0
7. Process optimization and quality management implementation within the Border Police	1000,0	500,0	500,0
8. Maintenance of operating Information Systems (Migration and Asylum Bureau)	500,0	500,0	500,0
9. Polygraph equipment for the Ministry of Internal Affairs and training of the relevant staff	1680,0		

10. Initiating of Capital Investment objects	16100,0	13796,2	
11. Developing the quinological capacities to support the different missions of public order and security by setting up the Quinological Centre of the Ministry of Internal Affairs	3000,0	3000,0	3000,0
TOTAL for the area, of which:	2756281,1	2664701,7	2548538,7
A. Baseline estimated by the Ministry of Finances	2424876,2	2364822,5	2354821,2
B. Additionally accepted policy measures	266857,4	256355,0	166217,5
C. New policy measures	64547,5	43524,2	27500,0
“National Security” area			
Main priorities in the area			
<i>Strengthening the area of national security</i>			
A. Baseline estimated by the Ministry of Finances	441734,5	445842,8	450399,0
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	4000,0		
1. Purchase of motorcycles	1500,0		
2. Procurement of surveillance technology (monitoring centre)	2500,0		
C. New policy measures	28450,0	15935,5	17023,6
1. Creating and developing information systems, providing information protection	16000,0	8000,0	6000,0
2. Insuring special means	1600,0		
3. Creating the Liaison Officers Platform	2100,0	2163,0	2227,9
4. Creating the Risk Analysis Centre	250,0	257,5	265,2
5. Purchasing the ITC Reactor app	500,0	515,0	530,5
6. Initiation of Capital Investment projects	8000,0	5000,0	8000,0
TOTAL for the area, of which:	474184,5	461778,3	467422,6
A. Baseline estimated by the Ministry of Finances	441734,5	445842,8	450399,0
B. Additionally accepted policy measures	4000,0		
C. New policy measures	28450,0	15935,5	17023,6
TOTAL BY SECTOR of which:	3230465,6	3126480,0	3015961,3
A. Baseline estimated by the Ministry of Finances	2866610,7	2810665,3	2805220,2
B. Additionally accepted policy measures	270857,4	256355,0	166217,5
C. New policy measures	92997,5	59459,7	44523,6
“JUSTICE” SECTOR			
Main sectoral priorities			
<i>Ensuring the quality of the Justice</i>			
A. Baseline estimated by the Ministry of Finances	969030,4	1057532,4	1104525,7
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	53882,1	88546,3	95505,0
1. Initial and continuous training of the polygraphs trained in checking the candidates for the positions of judge (once every 2 years) and endowing the SCM with a polygraph	450,0		300,0

2. Development, Implementation and Integration of the Automated Information System "e-File"	20329,2	21300,3	14200,3
3. Strengthen the institutional capacity of the Prosecutor's Office		5000,0	
4. Strengthening the capabilities of CSP and Subordinated Colleges through cars purchasing	900,0		
5. Providing electronic systems and designing the CSP web page	492,0		
6. Installation of access control systems to ensure the security of the institution	170,0		
7. CSP equipment with poly-graphic device	135,0		
8. Continuous improvement of members of the Subordinate Colleges and employees of the CSP Apparatus	203,0	213,1	223,7
9. Extending the network of paralegals	251,0	501,9	752,8
10. Revision of the amount of remuneration for lawyers who provide state-guaranteed legal assistance	17792,4	35584,8	35584,8
11. Acquisition of modern equipment necessary for research and investigations and professional training of experts for conducting new types of expertise	6596,1		
12. Identify and purchase the necessary spaces for assistance and counselling	3201,0	431,0	
13. Developing the technical-material endowment by purchasing 3 trailer minibuses to provide community-based workshops on the execution of community punishment	515,2	515,2	515,2
14. Establishing the Electronic Monitoring Centre and purchasing equipment for electronic monitoring	316,0		
15. Providing the necessary furniture and equipment to the courts			16928,2
16. Implementation of capital investment projects		25000,0	27000,0
17. Reconstruction of the Chisinau Court building, Buiucani headquarters, 200 Stefan cel Mare si Sfânt Blv., mun. Chisinau	2531,2		
C. New policy measures	3604,7	8500,0	8500,0
1. Setting up the electronic system of interinstitutional circulation of documents within the SCM and the courts	1700,0	8500,0	8500,0
2. Elaboration of automated information systems: Register of information on the performance evaluation of prosecutors; Register of information on the selection and career of prosecutors; Information Register on the Disciplinary Framework; Records of document management information; Register of information on human resources	125,0		
3. Creating access conditions in the courts for persons with disabilities	1779,7		
TOTAL BY SECTOR of which:	1026517,2	1154578,7	1208530,7
A. Baseline estimated by the Ministry of Finances	969030,4	1057532,4	1104525,7
B. Additionally accepted policy measures	53882,1	88546,3	95505,0
C. New policy measures	3604,7	8500,0	8500,0
“PENITENTIARIES” SECTOR			

Main sectoral priorities			
<i>Developing capacities and infrastructure of the prison system and detention conditions</i>			
A. On-going policy measures, covered within the baseline TOTAL	709297,4	983279,2	963672,3
B. Additionally accepted policy measures – TOTAL, of which:	29417,5	32618,5	18377,1
1. Creating infrastructure for conducting online sessions in 17 Penitentiaries	680,0		
2. Improving the working conditions for prison staff	6000,0	4000,0	3254,0
3. Setting up a mechanism for individual assessment and planning punishment execution	365,0	50,0	50,0
4. Identifying and arranging rooms for the performance of education activities	766,5	766,5	1073,1
5. Refurbishment of high-capacity residential and leisure areas in smaller capacity spaces	10000,0	10000,0	
6. Acquisition and upgrading of vehicles used to carry deprived persons	801,0	802,0	
7. Implementation of the community acquisition system for prisoners' health care services	3000,0	3000,0	
8. Improving the funding of Health Services provided to people in custody	2805,0	3000,0	3000,0
9. Initiation of Capital investment objects	3000,0	11000,0	11000,0
10. Purchase of a special vehicle for the Special Purpose Detachment "Pantera"	2000,0		
TOTAL BY SECTOR of which:	738714,9	1015897,7	982049,4
A. Baseline estimated by the Ministry of Finances	709297,4	983279,2	963672,3
B. Additionally accepted policy measures	29417,5	32618,5	18377,1
“GENERAL ECONOMIC SERVICES” SECTOR			
“Quality Infrastructure and Consumer Protection” area			
Main sectoral priorities			
<i>Ensure a high level of consumer protection and strengthen institutional capacity for market surveillance</i>			
<i>Reduce the risk of industrial damage to dangerous industrial objects, technical and work accidents to construction objects, fires or other serious situations, as well as improving the institutional system</i>			
<i>Ensure the full adoption of European and international standards as Moldovan standards in line with the provisions of the Moldova-EU Association Agreement</i>			
<i>Development of the national metrology system by ensuring the traceability and confirmation of the measurement capabilities of the Republic of Moldova on the international level</i>			
<i>Strengthening the institutional capacities of the National Accreditation Centre (MOLDAC) in order to maintain the status of signatory of the Multilateral Recognition Agreement with the European Co-operation for Accreditation of EA BLA, maintaining ILAC-MRA Signatory Status, and signing and maintaining the IAF-MRA</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	47646,3	48224,4	48890,8
B. Additionally accepted policy measures – TOTAL, of which:	15520,3	6420,6	6640,9

1. Enhancement of measurement capabilities and their confirmation through the development of BNE (endowment with itinerary and software standards))	2700,0		
2. Improving the conditions of use of BNE by ensuring the demanding environmental conditions (vibration, electromagnetic fields, mechanical shocks, repair of laboratories)	500,0		
3. Ensuring MOLDAC's collaboration with international and regional European organizations (MOLDAC)	120,0	120,0	120,0
4. Ensure functionality and transparency in the work of the Technical Supervision Agency, of which: (a) the creation and maintenance of the necessary records on the areas of activity of the AST; b) procurement of fixed assets (machinery, equipment and means of transport); c) cover the increase of the expenses for the rental and maintenance of the service rooms	5200,0	1500,0	1500,0
5. Ensure the operation of the Rapid Information Exchange System on Dangerous Non-Food Products between National Market Surveillance Authorities	120,0	60,0	60,0
6. Develop and maintain the APCSP web page	80,0	30,0	30,0
7. Acquiring technical assistance services, development and software maintenance services of the INSPECT Program and the 1C Accounting Program to ensure the operation / processing / keeping / keeping of data on the APCSP activity, as well as the acquisition of digital signatures for secure access to the CSR	220,3	95,6	95,9
8. Ensuring APCSP functionality: a) Rental of the headquarters for carrying out the basic activity of the APCSP: offices, express testing laboratories, meeting room, auxiliary spaces (archive, warehouse, server room), call centre, consumer audience; b) purchasing furniture to create the right working conditions, according to established rules; c) procurement of computing (laptops, computers, scanners, colour printers) and technical service; d) upgrading the 24/24 telephone call centre APCSP (Call Centre)	4760,0	3495,0	3715,0
9. Purchase of a specialized vehicle for field equipment transportation and maintenance	470,0	50,0	50,0
10. Performing tests by placing arbitration samples in accredited laboratories, including across the country	1000,0	1000,0	1000,0
11. Elaboration and maintenance of the software for the creation of the database of economic agents liable to control by connecting with the registers of other authorities (ASP, NBS, SFS, SV) and RSC	350,0	70,0	70,0
TOTAL for the area	63166,6	54645,0	55531,7
A. Baseline estimated by the Ministry of Finances	47646,3	48224,4	48890,8
B. Additionally accepted policy measures	15520,3	6420,6	6640,9
“Private sector development” area			
Main sectoral priorities			

<i>1. Improving the investment climate and promoting the image of the Republic of Moldova as a destination for foreign direct investment</i>			
<i>2. Increasing the export capacities of domestic producers and ensuring the export potential of the world market, especially on the European Union market</i>			
<i>3. Improving the workforce development system for export-oriented priority sectors</i>			
<i>4. Facilitating the development of small and medium-sized enterprises (SMEs)</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	198879,7	180803,4	179975,0
B. Additionally accepted policy measures – TOTAL, of which:	62203,7	93383,2	68230,3
1. Elaboration and implementation of a program to stimulate the establishment and development of business by young people, especially in rural areas "Start-up Moldova" (ODIMM)	10000,0	10000,0	10000,0
2. Develop and implement a business support program with high growth potential and internationalization (ODIMM)	10000,0	20000,0	
3. Developing and implementing a program to adapt SMEs to the "green economy"	5000,0	10000,0	15000,0
4. Supporting the private environment by identifying and implementing innovative investment models (venture capital, crowdfunding and business-angels)	1300,0	1300,0	
5. Supporting the private environment by identifying and implementing innovative investment models (venture capital, crowdfunding and business-angels)	20903,7	12083,2	3230,3
6. Developing utilities of Free Economic Zones	15000,0	20000,0	20000,0
7. Implementation of a local supplier support program - support for connecting local suppliers to multinational investment corporations in Moldova (APIP + ZEL "Balti")		20000,0	20000,0
TOTAL for the area, of which:	261083,4	274186,6	248205,3
A. Baseline estimated by the Ministry of Finances	198879,7	180803,4	179975,0
B. Additionally accepted policy measures	62203,7	93383,2	68230,3
“Agency for Land Relations and Cadastre”			
Main sectoral priorities			
<i>Land delineation for public property</i>			
<i>Soil erosion and degradation</i>			
<i>The real estate valuation and taxation system</i>			
<i>Ensuring state needs in production and topo-geodetic and cartographic information</i>			
<i>Demarcation of the state border between the Republic of Moldova and Ukraine</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	28220,0	27505,5	25152,7
B. Additionally accepted policy measures – TOTAL, of which:	35000,0	91500,0	90000,0
1. Land delineation for public property	30000,0	90000,0	90000,0
2. Setting up the SIA ROITE	5000,0		
3. Reference information system "e-General digital map of RM"		1500,0	
TOTAL for the area, of which:	63220,0	119005,5	115152,7
A. On-going policy measures, covered within the baseline	28220,0	27505,5	25152,7

B. Additionally accepted policy measures	35000,0	91500,0	90000,0
“Labour force” SECTOR			
A. Baseline estimated by the Ministry of Finances TOTAL	52853,9	53976,7	55272,5
B. Additionally accepted policy measures – TOTAL, of which:	1659,2	69,7	69,7
1. Creating, maintaining and updating the e-learning system	1080,5	46,9	46,9
2. Creating and maintaining the Electronic Registry for Evidence Records	456,2	22,8	22,8
3. Issuing and free of charge of the Registrar of Evidence Releasing and issuing against payment of the Day Labourers Register	122,5		
C. New policy measures	15620,0	17920,0	8170,0
1. Carrying out analysis (researches), publications in the Labour Market Observatory, starting with 2021	570,0	570,0	570,0
2. Adjustment of the "Labour Market" (SIA "PFM") Automated Information System	15050,0	17350,0	7600,0
TOTAL for the area, of which:			
A. Baseline estimated by the Ministry of Finances	52853,9	53976,7	55272,5
B. Additionally accepted policy measures	1659,2	69,7	69,7
C. New policy measures	15620,0	17920,0	8170,0
TOTAL BY SECTOR of which:	457603,1	519803,5	482401,9
A. Baseline estimated by the Ministry of Finances	327599,9	310510,0	309291,0
B. Additionally accepted policy measures	114383,2	191373,5	164940,9
C. New policy measures	15620,0	17920,0	8170,0
“TRANSPORT” SECTOR			
Main sectoral priorities			
<i>Ensure the development and implementation of sustainable national transport policy and infrastructure</i>			
<i>Develop and maintain public road infrastructure in a safely manner</i>			
<i>Monitoring the implementation of road safety policy</i>			
<i>Development of shipping</i>			
<i>Promoting policies to support the rail transport sector</i>			
<i>Development of railway infrastructure</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	5187653,6	5776792,7	3675898,5
B. Additionally accepted policy measures – TOTAL, of which:	31612,1	41770,6	51939,6
1. Creating the Road Safety Fund and providing the necessary financial resources	30000,0	40000,0	50000,0
2. Supporting the activity of the "Giurgiulesti" International Free Port in the context of the creation of the Naval Agency	978,5	978,5	978,5
3. State support for the activity of the Molovata Backyard in the context of the need for maintenance and repair of the pushers, which are over-exploited	618,6	788,6	958,6
4. Subvention of public rail passenger transport for incentives beneficiaries	15,0	3,5	2,5

C. New policy measures	3100,0	3100,0	
1. Repair of the road bridge over the Nistru River (Gura Bicului - Bicioc)	3000,0	3000,0	
2. Elaboration of normative acts in the field of road transport	100,0	100,0	
TOTAL BY SECTOR of which:	5222365,7	5821663,3	3727838,1
A. Baseline estimated by the Ministry of Finances	5187653,6	5776792,7	3675898,5
B. Additionally accepted policy measures	31612,1	41770,6	51939,6
C. New policy measures	3100,0	3100,0	
“ENERGY” SECTOR			
Main sectoral priorities			
<i>Ensure the security of natural gas supply by diversifying ways and sources of supply, while strengthening the role of the Republic of Moldova in the bi-directional transit of natural gas</i>			
<i>Ensuring the security of electricity supply and strengthening the role of the Republic of Moldova in the Transit Lane of Electricity</i>			
<i>Creating a platform for generating electric and thermal energy by ensuring efficient centralized heating and heating with the use of cogeneration technology</i>			
<i>Improving energy efficiency and increasing the level of capitalization of renewable energy sources by 2020</i>			
A. Baseline estimated by the Ministry of Finances	318840,5	434719,6	325575,5
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	13592,0		
1. Ensure the implementation of the Ungheni-Chisinau gas pipeline project (Government contribution)	13592,0		
C. New policy measures	460000,2	667359,5	458999,9
1. Financing Energy Efficiency Projects through the Energy Efficiency Obligation Scheme	400000,0	400000,0	
2. Improving the energy efficiency of public and residential buildings in the Republic of Moldova	60000,2	267359,5	458999,9
TOTAL BY SECTOR of which:	792432,7	1102079,1	784575,4
A. Baseline estimated by the Ministry of Finances	318840,5	434719,6	325575,5
B. Additionally accepted policy measures	13592,0		
C. New policy measures	460000,2	667359,5	458999,9
“INDUSTRY AND CONSTRUCTION” SECTOR			
Main sectoral priorities			
<i>Harmonization of national normative documents in the field of construction with European standards</i>			
<i>Enhancement of energy performance of buildings</i>			
A. Baseline estimated by the Ministry of Finances	63672,5	64785,1	66135,7
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	12132,1	12411,4	12411,4
1. Rehabilitation (decontamination) of the localities polluted with oil products in the villages of Lunga and Marculesti	1181,0	1181,0	1181,0

2. Implementation of roadmaps for the adoption and implementation of European standards in specific areas (Eurocodes - European standards for structure design, Energy performance of buildings, Safety and Health at construction sites, etc.) - Drafting Normative Norms in Construction "Norms for the design, construction and operation of landfills "	3000,0	3000,0	3000,0
3. Elaboration of the system of normative documents in constructions	6995,8	6995,8	6995,8
4. Development of the field of study, use and protection of the subsoil (budget of groundwater monitoring works and exogenous geological processes)	955,3	1234,6	1234,6
TOTAL BY SECTOR of which:	75804,6	77196,5	78547,1
A. On-going policy measures covered within the baseline	63672,5	64785,1	66135,7
B. Additionally accepted policy measures	12132,1	12411,4	12411,4
“INFORMATION TECHNOLOGIES AND COMMUNICATIONS” SECTOR			
Main sectoral priorities			
<i>Improving connectivity and network access</i>			
<i>Operationalisation of the Automated Information System 112</i>			
<i>Increase cyber security and online safety</i>			
<i>Strengthen and upgrade the post communications infrastructure</i>			
A. Baseline estimated by the Ministry of Finances	72478,9	63978,9	63978,9
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	20002,7	22052,7	13002,7
1. Providing converters for terrestrial digital television to families benefiting from social assistance	10000,0		
2. Payment of the CEPT membership fee (European Conference of Postal and Communications Administrations)	2,7	2,7	2,7
3. Installation of optical fibre points in all localities with municipalities that lack connection to fibre optic networks and the creation of NGA broadband electronic communications networks	10000,0	22050,0	13000,0
TOTAL BY SECTOR of which:	92481,6	86031,6	76981,6
A. Baseline estimated by the Ministry of Finances	72478,9	63978,9	63978,9
B. Additionally accepted policy measures	20002,7	22052,7	13002,7
“SOCIAL PROTECTION” SECTOR			
Main sectoral priorities			
<i>The social inclusion of people with disabilities reform</i>			
<i>Sustainability of the public social insurance system</i>			
<i>Improving financial support policies for families with children and protecting children at risk and children separated from their parents</i>			
<i>Social support for low-income and older people</i>			
<i>Ensure a comprehensive approach to gender equality</i>			
A. Baseline estimated by the Ministry of Finances	22081132,8	23082954,4	24166856,4
TOTAL			

B. Additionally accepted policy measures – TOTAL, of which:	32166,2	36455,9	13603,5
1. Procurement of psychological services for crime victims	90,0	135,0	180,0
2. Ensuring initial and continuous training of employees in the field of social protection	2221,0	2221,0	2221,0
3. Ensure the integration and full participation of older people in society (grant programs, creation and extension of support organisations etc.)	433,0	433,0	433,0
4. Conducting the study on family structure and planned number of children	5000,0	1000,0	
5. Implementation of the National Programme for de-institutionalization of people with intellectual and psychosocial disabilities	14022,2	20066,9	8469,5
6. Provision of professional rehabilitation services for people with disabilities	3400,0	5600,0	2300,0
7. Balneotherapeutic treatment for employees	7000,0	7000,0	
C. New policy measures	460742,4	715092,8	830507,2
1. Implementing the "Free and Affordable Care for People with Disabilities" service	900,0	900,0	900,0
2. Determining the social security indemnities for employees of the force structures according to the provisions of Law no. 289/2004 on compensations for temporary incapacity for work and other social insurance benefits	70905,6	77287,2	84783,9
3. Funding new active measures in employment promotion and unemployment insurance	70000,0	70000,0	70000,0
4. Establishing, from 2020, the additional option of gradual granting of child raising allowance up to the age of 3 years: 1st year - 60%, 2nd year - 30%, 3rd year - unpaid		39651,0	39651,0
5. Starting with 2019, increase by 100.00 MDL of the monthly indemnity for childcare until the age of 2 for uninsured persons and by 50.00 MDL of the monthly indemnity for twins or more children born of one pregnancy	53344,6	106689,2	160033,8
6. Starting with January 1, 2019, increase by 100.00 MDL the monthly minimum allowance for child raising up to the age of 3 years for insured persons	4917,8	12862,5	20508,5
7. Annual increase in the amount of the single childbirth allowance in correlation with the monetary value of the minimum basket of goods required at the time of childbirth, calculated for the preceding year, starting from 1 January 2019	14464,1	15149,7	15893,7
8. Contracting psychological counselling services for children in adoption procedures	32,0	32,0	32,0
9. Establishment of the National Resource and Family and Child Assistance Centre (with three branches) as well as the establishment of the Integrated Assistance Service of the child victim in the criminal trial (forensic expertise, psychological expertise, interviews, child hearings), "Barnhauss integrated services" and elaboration of the normative framework regarding the organization and functioning of the respective service		10000,0	2000,0

10. Increase the amount of the single payment allowance for children in foster care, family-type children's homes starting January 1, 2019 and from 1 January onward, indexing against the consumer price index for the previous year	186,7	195,5	205,3
11. Establishment and payment of the single allowance for children placed in tutoring, starting January 1, 2019, and indexing it in relation to the consumer price index on 1 January	1777,6	1861,1	1954,2
12. Increase of single childcare allowances for children up to 1 year (100%), children 1-3 years (50%) and children with disabilities (30%) placed in professional parental assistance, family type homes and guardianship / curatorship	296,5	310,4	326,0
13. Increase in monthly allowance for children placed in foster care, family-type homes and guardianship	37815,4	52968,4	67521,3
14. Increase in monthly allowances for children with disabilities (30%) placed in foster care, family-type homes and guardianship / curatorship	373,0	439,6	503,5
15. Increasing the monthly allowance for children who are temporarily without parental care, young people who have the status of an orphan child continuing their studies, equal to the minimum subsistence for work-able persons or children	4293,2	4495,0	4719,7
16. Establishment and payment of the single allowance at the age of 18 for children left without parental care, irrespective of the service in which they are placed, in the amount of 5000.00 MDL, starting January 1, 2019 and indexing on 1 January in relation to the consumer price index of the previous year		1214,5	1275,2
17. Increase the amount of aid for the cold season by 35.00 MDL	27912,7	27912,7	27912,7
18. Modification of the basis of calculation of disability pension and survivor's pension for citizens who suffered from the Chernobyl disaster	30000,0	30000,0	30000,0
19. Unique indemnities for the construction of an individual house or cooperative dwelling or for the purchase of housing, or for the restoration of old houses to certain categories of citizens, according to the Government Decision no. 836/2010	8500,0		
20. Recalculation of pensions of persons who continue to work after retirement (according to the completed contribution period), established before 1 January 2017	84776,7	212677,5	251739,9
21. Increasing the monthly state allowance to rehabilitated victims of political repression	36996,2	36996,2	36996,2
22. Increase from 30% to 50% the cost reduction of the recovery / rehabilitation package for victims of political repression	430,3	430,3	430,3
23. State allowances for special merits to the state for people decorated with "cross" distinctions (state distinctions)	120,0	120,0	120,0
24. Additional allocations for the implementation of the "Prima Casă" (First Home Programme)	10000,0	10000,0	10000,0

25. Allowance for care, accompanying and supervision of persons with serious disabilities in childhood and persons with severe blindness disabilities, if they benefit from the Social Home Care Service	2700,0	2900,0	3000,0
TOTAL BY SECTOR of which:	22574041,4	23834503,1	25010967,1
A. Baseline estimated by the Ministry of Finances	22081132,8	23082954,4	24166856,4
B. Additionally accepted policy measures	32166,2	36455,9	13603,5
C. New policy measures	460742,4	715092,8	830507,2
“AGRICULTURE” SECTOR			
Main sectoral priorities			
<i>Increasing the competitiveness of the agri-food sector by restructuring and modernising the market</i>			
<i>Ensure sustainable management of natural resources in Agriculture</i>			
<i>Improving living standards in rural areas</i>			
A. Baseline estimated by the Ministry of Finances	1655826,6	1545657,8	1536103,5
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	46763,8	56361,9	56861,9
1. Creating and maintaining an additional 11 extra anti-hail stations per year (the Special Active Influence Service on Hydrometeorological Processes), including:	5000,0	10000,0	10000,0
<i>Procurement of missiles</i>	5300,0	5300,0	5300,0
2. Renovating the technical and material endowment by purchasing special and general-purpose machinery and equipment (State Commission for Plant Variety Testing)	500,0	500,0	500,0
3. Creation, approval and maintenance of vegetation gene pool	1000,0	1000,0	1000,0
4. Implementation of the programme aimed to eradicate rabies in foxes	16901,0	16901,0	16901,0
5. Ensure the implementation of the Strategic Anti-Epidemiological Plan	4876,0	4876,0	4876,0
6. Capacity development of laboratories in the field of food safety and Animal Health of RCDV (Chisinau, Cahul, Donduseni)	1100,0	1100,0	1100,0
7. Ensure the implementation of the Action Plan on the Implementation of the Soil Fertility Conservation and Enhancement Programme for the 2017-2020 period	500,0	1000,0	1500,0
8. Guided exhaust system, cleaning of drainage channels and drainage collectors (Apele Moldovei) (redistribution proposed after hearings)	2100,0	6300,0	6300,0
9. Technical maintenance of pumping stations, hydrotechnical constructions and high-pressure aqueducts of irrigation systems	14684,9	14684,9	14684,9
10. Government contribution in the implementation of projects financed from external sources	101,9		
C. New policy measures	1160,0	400,0	965,0
1. Rational use of plant protection products, including the means for biological plant protection	700,0	250,0	800,0
2. Uniform and balanced administration of chemical and organic fertilizers			15,0

3. Improving the forecast system on harmful organisms	160,0		
4. Capacity development of the phytosanitary personnel	150,0	150,0	
5. Promoting the implementation of good agricultural practices	150,0		150,0
TOTAL BY SECTOR of which:	1703750,4	1602419,7	1593930,4
A. Baseline estimated by the Ministry of Finances	1655826,6	1545657,8	1536103,5
B. Additionally accepted policy measures	46763,8	56361,9	56861,9
C. New policy measures	1160,0	400,0	965,0
“ENVIRONMENT PROTECTION” SECTOR			
Main sectoral priorities			
<i>Reforming the environmental governance system</i>			
<i>Creation and development of environmental infrastructure</i>			
<i>Restoration, protection and conservation of biological diversity</i>			
<i>Reforming and streamlining the ecological surveillance and environmental control system</i>			
<i>Reducing the risks of climate change and facilitating adaptation of the sectors of the national economy to climate change</i>			
A. Baseline estimated by the Ministry of Finances	209361,8	203627,8	188978,4
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	54491,3	65955,0	60591,9
1. DWSR-3501C Meteorological Radar Maintenance and Service (additionally required from the state budget)	2500,0	2500,0	2500,0
2. Acquisition of equipment, reagents, consumables and spare parts for SHS laboratories to carry out continuous monitoring of environmental components and the implementation of international standards in accordance with the conventions and treaties ratified by the Republic of Moldova	2200,0	3200,0	4100,0
3. Maintenance of flood protection dams and public property	16000,0	16000,0	16000,0
4. Repair of the dam in Palanca village, Shtefan Voda district	5000,0	5905,0	
5. Dislocation and reconstruction of the protection dam in Puhacheni village, Anenii Noi district	4000,0	3150,0	
6. Reconstruction of the protection dam in the Sherpeni village, Anenii Noi district	8000,0	9000,0	8991,9
7. Restoration of the dam in the administrative-territorial boundaries of Gura Bicului village, Anenii Noi district	3209,0	5000,0	5000,0
8. Reconstruction of the protection dam of the centralized irrigation system in Criuleni town	3482,3	4000,0	
9. Purchase and installation of 10 automatic air quality control stations and 4 automatic stations, which will allow real time monitoring of the transboundary waters' quality (2 stations on the Prut river and 2 on the Dniester River)	3400,0	12800,0	19600,0
10. Complete automation of the National Hydrological Monitoring Network through the construction and installation of 2 hydrological stations: Nistru (Ustia) and Prut-Danube-Black Sea (Ungheni)	2800,0	2000,0	2000,0

11. Periodic maintenance of installations (radioactive sources) and equipment	500,0	500,0	500,0
12. Ensure the maintenance of meteorological monitoring equipment and improve forecasting and warning programmes	2500,0	1000,0	1000,0
13. Ensure maintenance of hydrological observations equipment (flow rate and surface water level)	400,0	400,0	400,0
14. Ensure maintenance of environmental radioactivity monitoring equipment	500,0	500,0	500,0
C. New policy measures	3000,0	3000,0	3000,0
1. Maintenance of Nuclear Accident Monitoring Stations	3000,0	3000,0	3000,0
TOTAL BY SECTOR of which:	266853,1	272582,8	252570,3
A. On-going policy measures, covered within the baseline	209361,8	203627,8	188978,4
B. Additionally accepted policy measures	54491,3	65955,0	60591,9
C. New policy measures	3000,0	3000,0	3000,0
“HOUSING AND COMMUNITY AMENITIES” SECTOR			
Main sectoral priorities			
<i>Ensuring gradual access to safe water and adequate sanitation for all localities and the population of the Republic of Moldova, thus contributing to the improvement of health, dignity and quality of life and economic development of the country</i>			
<i>Ensure urban waste water treatment in accordance with the requirements of Directive 91/271 / EEC on urban waste water treatment</i>			
<i>Extending centralized water supply and sanitation systems in the context of service regionalization</i>			
A. Baseline estimated by the Ministry of Finances	1561269,0	1532627,1	1580989,2
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	20000,0	37926,3	20000,0
1. Implementation of water supply and sanitation projects, supported by the National Fund for Regional Development	20000,0	20000,0	20000,0
2. The "Strengthening the institutional framework in the water supply and sanitation sector in the Republic of Moldova" Project		17926,3	
C. New policy measures	500,0	2000,0	2000,0
1. Land use planning	500,0	2000,0	2000,0
TOTAL BY SECTOR of which:	1581769,0	1572553,4	1602989,2
A. Baseline estimated by the Ministry of Finances	1561269,0	1532627,1	1580989,2
B. Additionally accepted policy measures	20000,0	37926,3	20000,0
C. New policy measures	500,0	2000,0	2000,0
“HEALTH” SECTOR			
Main sectoral priorities			
<i>The Public Health Supervision Service Reform</i>			
<i>Control of communicable and non-communicable diseases</i>			
<i>Development of Emergency Medical Assistance</i>			
<i>Modernisation of primary health care</i>			
<i>The Hospital Care Reform</i>			

A. Baseline estimated by the Ministry of Finances TOTAL	8380928,2	8670156,7	9185292,7
B. Additionally accepted policy measures – TOTAL, of which:	21741,9	154119,2	180262,1
1. Modernisation of the radiotherapy service		114000,0	118000,0
2. Supplementing FAOAM spending to pay for current medical services as a result of raising FAOAM's own revenues	2700,0	16300,0	29300,0
3. Supplementing FAOAM spending to pay for current medical services as a result of increased transfers from the state budget for the categories of persons insured by the Government	10536,9	11032,2	23024,1
4. Development of dental anaesthesia services for children	1770,0	1770,0	
5. Implementation of the National Programme on Health and Sexual and Reproductive Rights for the 2018-2022 period		11017,0	9938,0
6. Provision of healthcare services within the Medical Services of the Curative-Sanitary and Recovery Association	6735,0		
C. New policy measures	92188,0	101000,0	101250,0
1. Strengthening the technical-material endowment for primary health care	50000,0	50000,0	50000,0
2. Providing primary care medical transport	26000,0	26000,0	26000,0
3. Strengthening the Information Management System by Developing and Maintaining AIS "Primary Health Care"	2000,0	2000,0	2000,0
4. Allocations for the implementation of new Capital Investment projects	14188,0	23000,0	23250,0
TOTAL BY SECTOR of which:	8494858,1	8925275,9	9466804,8
A. Baseline estimated by the Ministry of Finances	8380928,2	8670156,7	9185292,7
B. Additionally accepted policy measures	21741,9	154119,2	180262,1
C. New policy measures	92188,0	101000,0	101250,0
“EDUCATION” SECTOR			
Main sectoral priorities			
<i>Ensuring the relevance of studies for life and the national economy</i>			
<i>Strengthening the lifelong learning system in terms of general training and continuous vocational training</i>			
<i>Institutional Consolidation and Improvement of Education Financing Models</i>			
<i>Ensuring access to quality education and improving education efficiency</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	11012459,3	11316096,6	11866506,6
C. New policy measures	183418,0	152800,0	140700,0
1. Ensure the development and editing of teaching materials for children from preparatory groups in Early Education institutions	5000,0	5000,0	
2. Development of digital textbooks for compulsory general education		1700,0	1800,0
3. Providing textbooks to students in gymnasium education	19150,0	19400,0	19500,0

4. Organizing the International Olympiad in French and the Balkan Olympiad of Mathematics	600,0		
5. Major repair of the sports complex of Chisinau Sports High-School	2000,0		
6. Maintenance of the National Register of Qualifications in Vocational Education and Training	100,0	100,0	100,0
7. Develop the National Qualifications Framework (NQF) for higher education	500,0	500,0	500,0
8. Evaluation of the National Agency for Quality Assurance in Education and Research by the European Association for Quality Assurance in Higher Education (ENQA), for the purpose of enrolling in the European Register for Quality Assurance in Higher Education		600,0	
9. Organizing the selection contest, through international judging, of the members of the Management Board of the National Agency for Quality Assurance in Education and Research	68,0		
10. Formation of Teachers' Groups on Holocaust Education at the Yad Vashem National Research Institute in Jerusalem, Israel	100,0	100,0	100,0
11. Digitising the archive of study papers for all education levels	500,0	300,0	300,0
12. Ensure maintenance of the Integrated Training Centre for Law Enforcement of the Ministry of Internal Affairs	600,0	600,0	600,0
13. Ensuring adequate conditions for students in Technical Vocational Education (within the Centre for Excellence in Border Security)	9000,0	6000,0	
14. Developing the technical-material basis and improving the living conditions of the students of the Military Academy of the Armed Forces "Alexandru cel Bun" of the Ministry of Defence	6500,0	9200,0	8500,0
15. Improvement of food rationing standards for students of the Military Academy of the Armed Forces "Alexandru cel Bun" of the Ministry of Defence	4300,0	4300,0	4300,0
16. The Skills for Jobs Project	50000,0	50000,0	50000,0
17. The "Education Support by the Government of Poland" Project	50000,0	50000,0	50000,0
18. Construction and endowment of sanitary blocks in schools	5000,0	5000,0	5000,0
19. Ensure the renovation of Early Education institutions through the Social Investment Fund of Moldova	30000,0		
TOTAL BY SECTOR of which:	11195877,3	11468896,6	12007206,6
A. Baseline estimated by the Ministry of Finances	11012459,3	11316096,6	11866506,6
C. New policy measures	183418,0	152800,0	140700,0
“RESEARCH AND INNOVATION” SECTOR			
Main sectoral priorities			
<i>Linking research and innovation to the socio-economic development needs of the country</i>			
<i>Support the participation of young researchers in EU thematic programmes</i>			

A. Baseline estimated by the Ministry of Finances TOTAL	477498,1	474819,1	473008,7
B. Additionally accepted policy measures – TOTAL, of which:	642,0	642,0	
1. Developing participatory environment by associating to projects funded by international business partners as well as by involving in international co-financing projects	642,0	642,0	
C. New policy measures	6617,0	3340,0	2920,0
1. Servicing and repairing the infrastructure. Creating the optimal work conditions for collaborators of research and innovation institutes (roofs, engineering networks, greenhouses, laboratories, etc.)	6617,0	3340,0	2920,0
TOTAL BY SECTOR of which:	484757,1	478801,1	475928,7
A. Baseline estimated by the Ministry of Finances	477498,1	474819,1	473008,7
B. Additionally accepted policy measures	642,0	642,0	
C. New policy measures	6617,0	3340,0	2920,0
“CULTURE” SECTOR			
Main sectoral priorities			
<i>Developing the infrastructure of cultural institutions</i>			
<i>Safeguarding national cultural heritage</i>			
<i>Supporting the development of creative industries in the Republic of Moldova</i>			
A. Baseline estimated by the Ministry of Finances TOTAL	1065049,2	1081456,2	1106069,3
B. Additionally accepted policy measures – TOTAL, of which:	21780,0	21730,0	21226,5
1. Purchasing transport units for libraries and museums	500,0	500,0	
2. Purchase of works of fine arts and cultural goods for the development of mobile cultural heritage collections within national museums	1000,0	1000,0	1000,0
3. Ensuring the activity of IPNA „Tele-radio Moldova Company”	20000,0	20000,0	20000,0
4. Strengthening the technical capabilities of the Audio-visual Coordination Council by acquiring technical equipment for monitoring and enforcement of sanctions, and procurement of licensed software and equipment to measure sound level	200,0	150,0	150,0
5. Planning and conducting training activities for journalists and publishers in the audio-visual field	80,0	80,0	76,5
C. New policy measures	19634,3	14334,3	10496,3
1. Elaboration of „Camașă cu altitsa” (Folklore Moldovan Shirt) Project for nominalisation in the UNESCO representative list of the intangible cultural heritage of humanity.	1000,0	1000,0	1000,0
2. Implementation of the “Support for the promotion of the cultural heritage of the Republic of Moldova” Twinning project. Development of creative industries (Supporting start-ups in the field of creative industries, supporting the creation of "Chisinau creative hub"	450,0	250,0	

3. Inventory and documentation of national cultural heritage	1000,0		
4. Developing the integrated information platform of public libraries	368,0	368,0	368,0
5. Conducting the "Co-productions in television" International Conference and working visits for the Audio-visual Coordination Council with representatives of Co-operation Agreements thereof and for Broadcasters of the Republic of Moldova (65 TV stations)	300,0		
6. Creating conditions for access to institutions for people with disabilities	7648,0	6648,0	2650,0
7. Digitising the cultural heritage and providing the necessary equipment for that purpose	3868,3	1068,3	1478,3
8. Establishment of an investment scheme in film production and other audio-visual works	5000,0	5000,0	5000,0
TOTAL BY SECTOR of which:	1106463,5	1117520,5	1137792,1
A. Baseline estimated by the Ministry of Finances	1065049,2	1081456,2	1106069,3
B. Additionally accepted policy measures	21780,0	21730,0	21226,5
C. New policy measures	19634,3	14334,3	10496,3
“YOUTH AND SPORT” SECTOR			
Main sectoral priorities			
<i>Increasing the level of involvement of young people in decision-making processes and developing of youth services</i>			
<i>Modernizing sports infrastructure and supporting performance and grass sports</i>			
A. Baseline estimated by the Ministry of Finances	418091,5	435795,4	455996,9
TOTAL			
B. Additionally accepted policy measures – TOTAL, of which:	17500,0	24960,8	42500,0
1. Supporting performance athletes by awarding scholarships and prizes for outstanding results	2000,0	2000,0	20000,0
2. Organising and conducting sports activities included in the National and International Sports Action Schedule	10000,0	10000,0	10000,0
3. Providing high performance sports equipment and facilities	1500,0	1500,0	1500,0
4. Major repair of Athletics Arena			
5. Major repair of Sports Centre for training national teams	1000,0	1000,0	1000,0
6. Implementation of capital investment projects	3000,0	10460,8	10000,0
TOTAL BY SECTOR of which:	435591,5	460756,2	498496,9
A. Baseline estimated by the Ministry of Finances	418091,5	435795,4	455996,9
B. Additionally accepted policy measures	17500,0	24960,8	42500,0
C. New policy measures			
TOTAL ON THE NATIONAL PUBLIC BUDGET, of which:	67896100,0	72383700,0	77422700,0
A. Baseline estimated by the Ministry of Finances (MF) - TOTAL	62560884,2	65007475,1	64953729,4

B. Additionally accepted policy measures	858710,3	1154381,5	1038966,5
C. New policy measures	1502882,8	2007649,0	1950028,5

Fiscal risks analysis

The fiscal risks which may cause deviations of fiscal outcomes from initial expectations or projections and therefore require proactive management. Risks for the Budget may arise as a result of macroeconomic shocks, ad hoc decisions on fiscal policy and/or the materialisation of contingent liabilities. Contingent liabilities may be explicit, with a clear legal basis, such as state guarantees for loans; or implicit, which are not based on clear regulations, but may occur as a consequence of unforeseen events requiring state intervention.

Box 1. Risk and Impact Assessment

The impact and probability risk assessment is based on the analysis of the estimates of the medium-term budgetary framework (MTBF) over the past 6 years. The magnitude of the deviations between the estimation of indicators and their achievement as well as the frequency of these deviations are indicators used to estimate the potential impact and likelihood of different risks. The assessments, although not statistically representative, represent approximations, taking into account the available information (4 estimates of an indicator for each of the 6 analysed years vs the achievement of this indicator).

The impact of the risk is:

Low – if the deviation between estimates and data is less than 1% of GDP

Medium – if the deviation between estimates and executed data is between 1% and 3% of GDP

High – if the deviation between estimates and executed data is greater than 3% of GDP

The probability of risk is:

Low – if the risk occurs in less than 10% of cases

Medium – if the risk occurs between 10% and 30% of cases

High – if the risk occurs in more than 30% of cases

Moldova's public finances are exposed to several major fiscal risks. The tables below present the situation of the underlying fiscal risks with a brief explanation of their types and a preliminary assessment of their potential significance for Moldova (as the case may be).

Table 1

Explicit fiscal risks

The risk	The nature of the risk	The potential impact	Probability
Macroeconomic shocks	Unpredicted macroeconomic developments, which change the prospects for economic growth and alter the financial position	High	High
Estimated revenue	Poor revenue collection leads to deterioration of the budget balance	Medium	High

Unexpected spending	Legal obligations or political pressures lead to expenditure adjustment and deterioration in the budget balance	Medium	High
Exposure to public debt	Unexpected market developments, changes in interest rates or exchange rates increase the debt and the costs associated with its servicing	Medium	High

In addition to the explicit risks, the budget can also be exposed to the implicit risks presented below.

Table 2

Implicit fiscal risks (including contingent liabilities) *

The risk	The nature of the risk	The potential impact
Insolvency of state-owned enterprises and companies which are fully or predominantly state-owned	The Government is required to rescue insolvent state-owned companies and joint-stock companies with state shareholdings	High
Financial sector insolvency	The Government is required to rescue insolvent banks of systemic importance	Low
Increased transfers to local Governments	Transfers to local Governments must be increased in order to ensure service provision	Low
Payments under the public-private partnership (PPP)	PPP related payments are higher than expected and the amounts provided for	Low
State guarantees' execution (except for the financial sector)	The Government is required to make payments under the granted state guarantees	Low
Insufficient amounts for unforeseen circumstances	Judgments, dispute settlements, natural disasters, etc. generate budget costs that exceed the planned level	Low

**Note. In the case of implicit risks, it is difficult to estimate their probability as the data available in certain cases is very limited and / or does not allow it. Unlike explicit risks, past developments do not provide relevant guidance on future developments. It is also hard to quantify the potential impact, the only estimations being high, medium or low. Impact assessment for implicit risks is based on the same criteria as the explicit ones: down - below 1% of GDP, medium - 1-3% of GDP and high - higher than 3% of GDP.*

The note on fiscal risks, which includes a broader analysis of all the risks mentioned in the above tables, is part of the budgetary documents accompanying the draft budget for 2018 and is accessible on the following web site <http://mf.gov.md/ro/content/proiectul-legii-bugetului-de-stat-pe-anul-2018>. This note shall be updated for the draft budget for 2019.