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**REPORT ON PROJECT FINANCIAL STATEMENTS  
OF THE NATIONAL AGENCY FOR FISCAL ADMINISTRATION**

**LOAN (8261-RO) FOR THE REVENUE ADMINISTRATION MODERNIZATION  
PROJECT (RAMP)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
For the year ended 31 December 2015**

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE NATIONAL AGENCY FOR FISCAL ADMINISTRATION – PROJECT**  
**MANAGEMENT UNIT – REVENUE ADMINISTRATION MODERNIZATION**  
**PROJECT - RAMP**

**Report on the Project Financial Statements**

1. We have audited the accompanying project financial statements of Revenue Administration Modernization Project for the year ended 31 December 2015. The project is financed by the International Bank for Reconstruction and Development (IBRD) through Loan no. 8261 – RO that was signed on 8 May 2013. The audited project financial statements for the year ended 31 December 2015 consist of: Statement of resources and uses of funds, Statements of expenditures, Statement of SoE, Financial statement of the loan, Budget realisation, Statement of the Treasury Account.

*Management's Responsibility for the Financial Statements*

2. Management of the Project Management Unit is responsible for the preparation of these financial statements in accordance with the financial reporting provisions included in the ratification law no 212/27.06.2013 and loan agreement 8261-RO dated 8 May 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Audit Standards issued by the Chamber of Auditors of Romania which are based on International Standards on Auditing and in accordance with the appropriate World Bank guidelines. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the project management unit, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.

*Unqualified Opinion*

6. In our opinion, the financial statements of the Revenue Administration Modernization Project for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the financial reporting provisions of ratification law no 212/27.06.2013 and loan agreement 8261-RO dated 8 May 2013.

*Emphasis of matters*

7. Without qualifying our opinion, we draw attention to the following matters:
- a) As mentioned in the Note 9 “Legislation and the fiscal environment in Romania “to the financial statements, the legal system from Romania is affected by macroeconomic factors which include influences of the worldwide economic slowdown. As a result of this, the Romanian Government might change the fiscal and monetary policy. Due to the above mentioned aspects there might be a negative impact on the evolution of the Project.
  - b) As mentioned in the Note 7 “Accounting policies and records” to the Project Financial Statements, these financial statements were prepared for complying with the Loan requirements and with the appropriate World Bank guidelines, and therefore are not intended to be a complete presentation of the Project’s operations.

*Other Matter*

8. This report, including the opinion, has been prepared for the use of the Project Management Unit and submission to the International Bank for Reconstruction and Development and should not be used for any other purposes beside those meant for a financial audit report. Within the boundaries of the law, we do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

**Auditor:**  
**MICHALIS PAPADOURIS**  
CAFR member (authorisation no.4276/2012)  
for:



**BAKER TILLY KLITOU AND PARTNERS S.R.L.**  
CAFR Company member (authorisation no. 384/26.05.2003)  
Bucharest, 12 May 2016

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
For the year ended 31 December 2015**

**List of abbreviations:**

**RAMP** – Revenue Administration Modernization Project

**IBRD** – International Bank for Reconstruction and Development

**WB** – World Bank

**NAFA** – National Agency for Fiscal Administration

**NAFA P.M.U.** – Project Management Unit, established within NAFA

**MOPF** – Ministry of Public Finances

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**GENERAL INFORMATION**

*Reporting entity*

The Loan Agreement is implemented by NAFA by means of the NAFA P.M.U. within the entity.

*Loan Agreement*

The Law no. 212 dated June 2013, ratified the Loan Agreement between Romania (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank") regarding Revenue Administration Modernization Project.

The development objectives of the Revenue Administration Modernization Project (RAMP) are:

- (i) to increase effectiveness and efficiency in collection of taxes and social contributions;
- (ii) to increase tax compliance;
- (iii) to reduce the burden on taxpayers to comply.

*Destination of Borrowed Funds*

Component 1: Institutional Development

Component 2: Increasing Operational Effectiveness and Efficiency

Component 3: Taxpayer Services and Corporate Communication

Component 4: Project Coordination and Management

*The loan amount for RAMP Project is allocated as follows:*

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in Euro)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, Consultants' services, including audit, Training and operating costs of the Project	70,000,000	100%
<b>TOTAL AMOUNT</b>	<b>70,000,000</b>	

For the purposes of this Schedule:

- "Goods" means the goods described in the Procurement Guidelines, including commodities, raw material, machinery, equipment, vehicles, and industrial plant;
- "Non-Consultant Services" means the non-consultant services described in the Procurement Guidelines, including the non-consulting services for which the physical aspects of the activity predominate, are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied;

**National Agency for Fiscal Administration  
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- *"Consultants"* means the consultants described in the Consultant Guidelines, including a variety of private and public entities such as consulting firms, engineering firms, management firms, auditors, multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations (NGOs), and individuals;

- *"Training"* means the training and training-related activities, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities;

- *"Operating Costs"* means the incremental expenses incurred by the Borrower on account of Project implementation, management, and monitoring, for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, translation, travel and supervision (including supervision activities in connection with the Project, salaries of contractual and temporary staff, but excluding salaries, fees, and bonuses of members of the Borrower's civil service).

*Other information*

The term *"Statement of Expenditures"* means: expense reports used by the Borrower to forward to IBRD the application for reimbursement of payments already made.

The term *"State treasury account"* means: a bank account opened at the State Treasury where NAFA is receiving from the Ministry of Public Finances the requested amount necessary for payments of the eligible expenses.

The eligible expenditures of the project financed through loan provided by IBRD will be pre-financed out of the State budget allocations.

The IBRD loan funds will be disbursed using the reimbursement as disbursing method.

Withdrawal applications will be sent to the Bank periodically by the Borrower (MOPF), according to Disbursement Letter.

The withdrawn amounts will be used by MOPF for legal purposes, according to the legislation in force regarding the Public Debt Law.

The amount necessary for the reimbursement of Loan, of the interest and commissions, is provided by MOPF from the state budget.

Procurement plan prepared by the PMU is updated at least annually and is prior reviewed by the IBRD.

**GOVERNMENT OF ROMANIA  
MINISTRY OF PUBLIC FINANCE  
NATIONAL AGENCY FOR FISCAL ADMINISTRATION  
IBRD LOAN (8261-RO)  
FOR REVENUE ADMINISTRATION MODERNIZATION PROJECT - RAMP  
Special purpose project's financial statements  
for the year ended 31 December 2015**



**National Agency for Fiscal Administration  
 Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
 For the year ended 31 December 2015**

**1. STATEMENT OF SOURCES AND USES OF FUNDS**

1.1 Statement of the IBRD Loan Account for the Revenue Administration Modernization Project – RAMP as at 31 December 2015

Loan No 8261 - RO  
 Date of Approval 8 May 2013

	<i>Cumulative as at 31 Dec 2014 EUR</i>	<i>Cumulative as at 31 Dec 2015 EUR</i>
Loan amount approved	70,000,000.00	70,000,000.00
Less: Total drawings from loan	0.00	7,726,783.02
Loan amount not disbursed	70,000,000.00	62,273,216.98

1.2 Summary of Funds Received and Uses of Funds as at 31 December 2015

	<i>Cumulative as at 31 Dec 2014 RON</i>	<i>Fiscal Year 2015 RON</i>	<i>Cumulative as at 31 Dec 2015 RON</i>
Opening cash balance	0.00	0.00	0.00
State Treasury Account transactions			
Add: Pre-financing by the Government	2,455,181.87	33,228,074.95	35,683,256.82
Less: Project expenditure	2,455,181.87	33,228,074.95	35,683,256.82
Closing cash balance	0.00	0.00	0.00

**National Agency for Fiscal Administration  
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP  
For the year ended 31 December 2015**

**2. STATEMENT OF EXPENDITURES**

2.1 Project expenditure by component

<b>Component/ Description</b>	<b>Cumulative as at 31 Dec 2014 RON</b>	<b>Expenditures for the year ended as at 31 Dec 2015 RON</b>	<b>Cumulative as at 31 Dec 2015 RON</b>
<i>Component 1: Institutional Development</i>	384,107.06	1,904,163.14	2,288,270.20
SC1: Organizational Development	384,107.06	1,067,500.18	1,451,607.24
RAMP/CS/2 Development of NAFA's Analytical Capacity	384,107.06	676,894.45	1,061,001.51
RAMP/CS/3 Organizational Development: Management Systems		390,605.73	390,605.73
SC2: Internal Control & Public Audit		378,573.33	378,573.33
RAMP/CS/4 Development of internal control functions		378,573.33	378,573.33
SC3: Human Resources & Training		458,089.63	458,089.63
RAMP/CS/5 Policy and strategy development for HR		458,089.63	458,089.63
SC4: Legal Framework & Appeals			
SC5: Business Process Re-engineering			
<i>Component 2: Increasing Operational Effectiveness and Efficiency</i>		26,503,819.11	26,503,819.11
SC1: Operational functions		3,361,681.73	3,361,681.73
RAMP/CS/10 Audit development and Audit techniques improvement		793,256.49	793,256.49
RAMP/CS/14 Review of High Volume Revenue Processing Operations		1,040,897.11	1,040,897.11
RAMP/CS/11 – Operational assistance for Management of High Net Worth Individuals		666,370.59	666,370.59
RAMP/CS/13 – Enforcement Development		363,052.14	363,052.14
RAMP/CS/12 – Anti-fraud and Business Intelligence Development		498,105.40	498,105.40
SC2: Application software		3,712,318.19	3,712,318.19
RAMP/CS/1- Project definition, integration and implementation		3,712,318.19	3,712,318.19
SC3: IT infrastructure & implementation		19,429,819.19	19,429,819.19
RAMP/1-WS Workstations, monitors and multifunctional printer		9,856,532.09	9,856,532.09

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RAMP/1-SR – Hardware, software & tr. for primary, secondary centre and data warehouse		9,573,287.10	9,573,287.10
<i>Component 3: Taxpayer Services and Corporate Communication</i>			
SC1: Taxpayer Services	1,110,431.76	3,606,369.88	4,716,801.64
RAMP/CS/15 Develop and implement New Taxpayer Service Concept		1,136,667.73	1,136,667.73
SC2: Corporate Communication	1,110,431.76	2,469,702.15	3,580,133.91
RAMP/CS/17 - Annual surveys	1,110,431.76	1,300,187.41	2,410,619.17
RAMP/CS/16 Design Communication Strategy and Develop Public Relations Skills		1,169,514.74	1,169,514.74
<i>Component 4: Project Coordination and Management</i>			
SC1: Project Management Unit	960,643.05	1,213,722.82	2,174,365.87
RAMP/CS/ 20 procurement adviser	408,305.35	407,062.85	815,368.20
RAMP/CS/ 21 IT procurement adviser	239,114.63	673,874.10	912,988.73
RAMP/CS/ 22 translation services	90,406.83	35,026.57	125,433.40
RAMP/16 training	77,911.16		77,911.16
RAMP/18 operational costs	2,573.02	3,226.16	5,799.18
RAMP/18 operational costs bank charges	2,720.18	15,220.81	17,940.99
RAMP/20 training project management	55,220.72		55,220.72
RAMP/21 training PMU	43,886.49		43,886.49
RAMP/9 licenses project management	40,498.28		40,498.28
RAMP/CS/23 financial audit		25,159.25	25,159.25
RAMP/22 training project management		54,153.08	54,153.08
<i>Other expenses</i>	6.39		6.39
SC2: Change Management			
<b>Total Project Expenditure - Project Funds</b>	<b>2,455,181.87</b>	<b>33,228,074.95</b>	<b>35,683,256.82</b>

2.2 Project expenditure by category

<b>Category</b>	<b>Cumulative as at 31 Dec 2014 RON</b>	<b>Expenditures for the year ended as at 31 Dec 2015 RON</b>	<b>Cumulative as at 31 Dec 2015 RON</b>
(1) Goods, non-consulting services, consultants' services, including audit, training and operating costs of the Project	2,455,181.87	33,228,074.95	35,683,256.82

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**3. SUMMARY OF STATEMENTS OF EXPENDITURES**

During 2015 the below withdrawal applications were submitted.

<i>Withdrawal Application</i>	<i>Total amount claimed (EUR)</i>	<i>Amount paid</i>	<i>Amount as at</i>	<i>of which amount claimed under SOE(EUR)</i>
1	552,969.07	552,969.07	30.01.2015	37,437.83
2	630,397.33	630,397.33	21.04.2015	754.86
3	2,578,928.94	2,578,928.94	22.06.2015	13,453.19
4	681,286.14	681,286.14	26.08.2015	682.53
5	2,229,325.32	2,229,325.32	19.10.2015	651.33
6	1,053,876.22	1,053,876.22	29.12.2015	389.93
Total 2015	7,726,783.02	7,726,783.02		53,369.67

**4. FINANCIAL STATEMENT OF THE LOAN**

4.1 Total disbursements as at 31 December 2015

	<i>Amount EUR</i>
As at 8 May 2013	0
During 2013	0
As at 31 Dec 2013	0
During 2014	0
As at 31 Dec 2014	0
During 2015	7,726,783.02
As at 31 Dec 2015	7,726,783.02
<b>Total disbursements</b>	<b>7,726,783.02</b>

4.2 IBRD payments during the year ended 31 Dec 2015

Withdrawal application	Beneficiary name	Type	Ccy	Amount claimed	Category	Ccy	Amount paid	Value date
1	MOPF	Reimbursement	EUR	552,969.07	1	EUR	552,969.07	30.01.2015
2	MOPF	Reimbursement	EUR	630,397.33	1	EUR	630,397.33	21.04.2015
3	MOPF	Reimbursement	EUR	2,578,928.94	1	EUR	2,578,928.94	22.06.2015
4	MOPF	Reimbursement	EUR	681,286.14	1	EUR	681,286.14	26.08.2015
5	MOPF	Reimbursement	EUR	2,229,325.32	1	EUR	2,229,325.32	19.10.2015
6	MOPF	Reimbursement	EUR	1,053,876.22	1	EUR	1,053,876.22	29.12.2015
				<b>7,726,783.02</b>			<b>7,726,783.02</b>	

**National Agency for Fiscal Administration**  
**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**  
**For the year ended 31 December 2015**

**5. BUDGET REALIZATION**

Component/Description	31.12.2014		31.12.2014		31.12.2015		31.12.2015	
	<i>Allocated per component as per PAD EUR</i>	<i>Accumulated to date EUR</i>	<i>Deviation EUR</i>	<i>Budget realization (%)</i>	<i>Accumulated to date EUR</i>	<i>Deviation EUR</i>	<i>Budget realization (%)</i>	
Component 1: Institutional Development	6,860,000	86,455	6,773,545	1.00%	514,336	6,345,664	7.50%	
Component 2: Increasing Operational Effectiveness and Efficiency	57,700,000	-	57,700,000	0.00%	5,973,244	51,726,756	10.35%	
Component 3: Taxpayer Services and Corporate Communication	2,920,000	249,813	2,670,187	9.00%	1,056,317	1,863,683	36.18%	
Component 4: Project Coordination and Management	2,520,000	216,701	2,303,299	9.00%	490,076	2,029,924	19.45%	
<b>Total Project Expenditure - Project Funds</b>	<b>70,000,000</b>	<b>552,969</b>	<b>69,447,031</b>	<b>1.00%</b>	<b>8,033,973</b>	<b>61,966,027</b>	<b>11.48%</b>	

The total budget realization up to 31 December 2015 is 11.48%.

**National Agency for Fiscal Administration**

**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**

**For the year ended 31 December 2015**

**6. PROJECT COMMITMENTS**

Project commitments as at 31 December 2015 are stated below:

Ctr No	Contract Reference Number	Objective of the agreement	Supplier	Signing date	Contract ccy	Contract Value	Contract Value EUR	Add 2015 EUR	Contract value EUR	Cumulative payments as at 31 Dec 2015	Remaining value of the contracts
1	RAMP/CS/20	Procurement adviser	PFA Voicu C Victor Constantin	24.12.2013	EUR	524,050.00	524,050.00	-10,969.91	513,080.09	183,907.61	329,172.48
2	RAMP/CS 22	Translation	SC International Consulting Alliance SRL	24.01.2014	EUR	79,994.88	79,994.88	-1,667.57	78,327.31	28,378.19	49,949.12
3	RAMP/20	Training project management	SC Trilex Consulting SRL	23.05.2014	EUR	12,573.60	12,573.60		12,573.60	12,582.19	
4	RAMP/CS/21	IT procurement adviser	Craig Russel Neal (USA)	31.07.2014	USD	1,191,200.00	873,832.14		873,832.14	205,805.05	668,027.09
5	RAMP/9	Project Management Licenses	SC Comparex Romania	16.09.2014	EUR	9,175.80	9,175.80		9,175.80	9,157.12	
6	RAMP/CS/2	Development of NAFA's Analytical Capacity	SC Ernst & Young SRL	16.09.2014	EUR	433,833.00	433,833.00	-6,297.75	427,535.25	239,200.56	188,334.69
7	RAMP/CS/17	Annual Survey	Delloitte Consultanta SRL	23.09.2014	EUR	1,046,870.00	1,046,870.00		1,046,870.00	543,703.92	503,166.08
8	RAMP/CS/11	Operational assistance for Management of High Net Worth Individuals	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	29.09.2014	EUR	175,901.81	175,901.81		175,901.81	149,516.54	26,385.27

**National Agency for Fiscal Administration**

**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**

**For the year ended 31 December 2015**

9	RAMP/CS/16	Design Communication Strategy and Develop Public Relations Skills	Ecorys Polska Sp. Zo.o (Poland)	13.10.2014	EUR	259,568.28	259,568.28	259,568.28	
10	RAMP/CS/4	Development of internal control functions	PricewaterhouseCoopers Tax Advisors & Accountants SRL	24.10.2014	EUR	212,350.00	212,350.00	85,331.91	127,018.09
11	RAMP/CS/14	Review of high volume revenue processing operations	PricewaterhouseCoopers Tax Advisors & Accountants SRL	28.10.2014	EUR	275,032.00	275,032.00	233,437.23	41,594.77
12	RAMP/CS/12	Anti-Fraud and Business Intelligence Development	PricewaterhouseCoopers Tax Advisors & Accountants SRL	17.11.2014	EUR	561,410.00	561,410.00	112,795.60	448,614.40
13	RAMP/CS/10	Audit development and Audit techniques improvement	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	02.12.2014	EUR	586,971.28	586,971.28	176,091.39	410,879.89
14	RAMP/CS/1	Project definition, integration and implementation	Ernst & Young SRL	05.12.2014	EUR	2,950,270.00	2,882,166.11	835,930.59	2,046,235.52
15	RAMP/CS/13	Enforcement Development	PricewaterhouseCoopers Tax Advisors & Accountants SRL	10.12.2014	EUR	234,707.20	234,707.20	81,899.50	152,807.70
16	RAMP/CS/15	Develop and implement New Taxpayer Service Concept	CRC Sogema Inc (Canada)	23.01.2015	EUR	843,480.00	843,480.00	253,044.00	590,436.00
17	RAMP/1 - WS	Workstations, monitors and multifunctional printer	ETA2U SRL	17.02.2015	EUR	2,220,840.00	2,220,840.00	2,218,486.26	

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**For the year ended 31 December 2015**

18	RAMP/CS/23	Financial Audit	Baker Tilly Klitou and Partners SRL	28.02.2015	EUR	34,645.60	34,645.60	5,660.12	28,985.48
19	RAMP/CS/3	Organizational Development: Management Systems	PricewaterhouseCoopers Management Consultants SRL	03.03.2015	EUR	195,064.40	195,064.40	86,232.14	108,832.26
20	RAMP/CS/5	Policy and Strategy Development for HR	KPMG Advisory SRL	10.03.2015	EUR	514,031.73	514,031.73	103,571.97	374,973.30
21	RAMP/22	Prince2 Project Management Training for RAMP Team Leaders	SC Trilex Consulting SRL	14.04.2015	EUR	12,201.60	12,201.60	12,182.92	
22	RAMP/1-SR	Hardware, Software and Training for Primary, Secondary and Data Warehouse Centers	Telekom Romania Communication SA	22.05.2015	EUR	2,229,537.98	2,229,537.98	2,165,086.44	62,428.94
23	RAMP/CS/6	Improved appeals process and review of legislation and rulings development	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	18.08.2015	EUR	437,818.50	437,818.50	0.00	437,818.50
<b>Total project commitments</b>									<b>6,595,659.58</b>

All contracts are approved by IBRD through the procurement plan.



**National Agency for Fiscal Administration**

**Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP**

**For the year ended 31 December 2015**

**7. ACCOUNTING POLICIES AND RECORDS**

*Basis for preparation of special purpose financial statements*

The special purpose project's financial statements are prepared in local currency (RON). Therefore, the inter-banking exchange rate of the Romanian Commercial Bank was used for payments made in foreign currency.

The accounting records of the project are maintained by the PMU in accordance with the accrual basis of accounting in compliance with the Operational Manual approved by the WB.

The Project Financial Statements are prepared for complying with the Loan requirements and with the appropriate World Bank guidelines.

*Eligible categories and expenditures*

Eligible expenditures mean expenditures in respect of the reasonable cost of goods, consultant's services including audit, non-consulting services, training and operating costs required for the Project and to be financed out of proceeds of the Loan allocated to the eligible Category in accordance with the Loan Agreement.

*Funding*

The sources of funds identified for Project implementation are the external sources, granted by the WB through the Loan.

*External Contribution from the World Bank Loan:*

The Government of Romania will provide initial advances for the Project implementation that will be further recovered from the WB Loan, which represents the ultimate financial source for the Project implementation support. The WB funds will cover all eligible expenditures and will be accessed according to the Loan Agreement provisions.

*Government of Romania Contribution from budgetary funds:*

The Government of Romania will advance all the funds for the part of the Project financed from the WB, funds that will be further recovered in full from the Loan proceeds.

*Contribution from general budgetary allocations and Implementation Agencies' own sources:*

Within Project activities, NAFA could also provide funds, when necessary, from their own budgets to cover some implementation costs, non-eligible for financing from the Project funds. Also, NAFA contribution will cover the salaries of the PMU staff.

According to Public Debt Law the loan will be recorded by the Ministry of Public Finance.

The financial statements will include only the amounts paid for the Project until the reporting date.

*Use of funds*

Using of funds represents the amounts paid for the purpose of the Project through the National Agency for Fiscal Administration.

## National Agency for Fiscal Administration

### Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP

For the period starting with 8 May 2013 up to 31 December 2014

The invoices for services not paid as of 31 December 2015 will be reported as uses of funds at the date of payment.

The invoice for services not paid as of 31 December 2015 is the following:

Ref. Contract RAMP/CS/15 - Develop and implement New Taxpayer Service Concept

Invoice no: 0001141/22.12.2015

Amount: 84,348.00 EUR

*Conversion of amounts paid to Loan currency (EUR) for reimbursement purposes:*

For payments in local currency the National Bank of Romania exchange rate at the date of payment is used.

For payments in foreign currencies (other than the Loan currency) the inter-banking exchange rate of the Romanian Commercial Bank at the date of purchase of the respective foreign currency is used.

The resulting amount is further converted to the Loan currency (EUR) at the National Bank of Romania exchange rate at the date of payment.

#### *Accounting system*

The accounting system is established according to the Accounting Law no. 82/1991 republished, with subsequent alterations and completions and to the Accounting Plan approved by Order of the Minister of Public Finance no. 1917/2005. Therefore, the payments in foreign currencies to foreign contractors are converted in local currency using the exchange rate of the National Bank of Romania on the date of the payment.

## 8. STATEMENT OF TREASURY ACCOUNT

### Treasury Account

Period: year 2015

Account no. : RO20TREZ23A510103650100X

Treasury : A.T.C.P.M.B.

Loan: 82610 RO

Currency : RON

	<i>Year 2015</i>
	<i>RON</i>
<b>Balance as at 1 January</b>	<b>0.00</b>
Cash receipts	33,228,074.95
<b>Total cash receipts</b>	<b>33,228,074.95</b>
<b>Payments from treasury account</b>	
Payments made in the reporting period	33,228,074.95
<b>Total payments from treasury account</b>	<b>33,228,074.95</b>
<b>Balance as at 31 December</b>	<b>0.00</b>

## National Agency for Fiscal Administration

### Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP

For the year ended 31 December 2015

#### 9. LEGISLATION AND FISCAL ENVIRONMENT IN ROMANIA

The legislation and fiscal environment in Romania and their implementation into practice change frequently and are subject to different interpretations by various Ministries of the Government. Over recent years, Romania has undergone substantial legal and economic changes.

Due to the current situation determined by the internal and international financial crisis there is an uncertainty with regard to the future legislative policy of the Romanian Government and its impact on the evolution of the National Agency for Fiscal Administration.

Therefore, it is not possible to estimate what changes may occur or the resulting effect of any such changes on the Project development or future results of its development.

#### 10. PROJECT FINANCIAL STATEMENTS PRESENTATION

The special-purpose Project Financial Statements were prepared for complying with the Loan requirements and with the appropriate World Bank guidelines.

#### 11. SUBSEQUENT EVENTS

In the subsequent period January - March 2016 the following contracts were concluded:

Crt No	Contract Reference Number	Objective of the agreement	Supplier	Signing date	Contact ccy	Contract Value	Contract Value EUR
24	RAMP/CS/25	Specialized Training on Organization and Functioning of Insurance Sector	Profiduciarina	22.01.2016	EUR	14,424.00	14,424.00
25	RAMP/CS/24	Specialized Training on Organization and Functioning of Banking	Institutul Bancar Roman	08.02.2016	EUR	12,475.00	12,475.00
26	RAMP/23	Training for Fiscal Procedural Code	KPMG Tax SRL	08.02.2016	EUR	196,516.75	196,516.75

During period January – March 2016 the following withdrawal applications were submitted:

Withdrawal application	Beneficiary name	Type	Ccy	Amount claimed	Category	Ccy	Amount paid	Value date
WA no 7	MOFP	Reimbursement	EUR	404,405.19	1	EUR	404,405.19	11.03.2016

Daniela Manoli  
RAMP Project Manager



Adina Ionita  
RAMP Financial Manager



Date: 12 May 2016