

A-DCI 1173/31.05.2018
RAMP nr. 9673 din 31.05.2018

**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 2017

National Agency for Fiscal Administration

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

For the year ended 31 December 2017

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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

Unqualified Opinion

1. We have audited the accompanying project financial statements of Revenue Administration Modernization Project for the year ended 31 December 2017. 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 2017 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.
2. In our opinion, the financial statements of the Project: Revenue Administration Modernization Project –RAMP for period 01st of January 2017 until 31st December 2017 are prepared, in all material respects, in accordance with the financial reporting provisions provided in Law no 212/27.06.2013 and the Loan Agreement 8216-RO of May 8, 2013.

Basis for Opinion

3. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PMU according to the ethical requirement relevant for the audit of financial statement in Romania and we have fulfilled all other ethical responsibilities, according to the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

4. 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

Management's Responsibility for the Financial Statements

5. 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.
6. In preparing the financial statements, management is responsible for evaluating the Project's ability to continue as a going concern, for disclosure, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease the Project or the operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the PMU's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregated, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit 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 PMU's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

on the PMU's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PMU to cease to continue as a going concern.

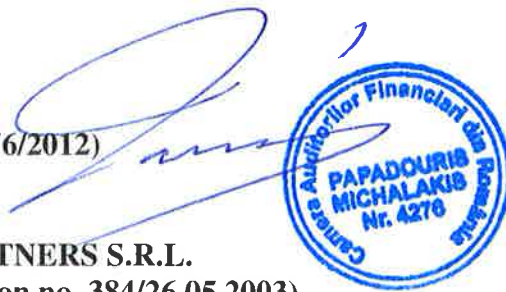
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

10. 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 (authorization no.4276/2012)
for:

BAKER TILLY KLITOU AND PARTNERS S.R.L.
CAFR company member (authorization no. 384/26.05.2003)
Bucharest, 31 May 2018



**National Agency for Fiscal Administration
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP
For the year ended 31 December 2017**

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

National Agency for Fiscal Administration
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP
For the year ended 31 December 2017

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, and by Government decision no. 1017/2016 the amendment of extension with 2 years of the project period from 31 march 2019 to 31 march 2021.

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.

The Minister of Public Finance attended the April 20-21, 2018 Spring World Meeting of the World Bank Group and the International Monetary Fund in Washington, USA. During the discussion, the current portfolio of on going projects financed by the Bank in Romania, including the 8261-RO Loan Agreement on ANAF Modernization, and the continuation of this Project in a restructured form were analyzed. According to the address transmitted by the World Bank (NAFA registration no. RAMP 9660/14.05.2018), the Bank's representatives will perform a visit to Romania in the period 5-8 June, 2018 for this restructuring

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:

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

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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;
- *"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.

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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 2017**

National Agency for Fiscal Administration
Loan (8261 – RO) for Revenue Administration Modernization Project - RAMP
For the year ended 31 December 2017

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 2017

Loan No 8261 - RO
Date of Approval 8 May 2013

	<i>Cumulative as at 31 Dec 2016 EUR</i>	<i>Cumulative as at 31 Dec 2017 EUR</i>
Loan amount approved	70,000,000.00	70,000,000.00
Less: Total drawings from loan	14,097,250.11	16,692,654.54
Loan amount not disbursed	55,902,749.89	53,307,345.46

1.2 Summary of Funds Received and Uses of Funds as at 31 December 2017

	<i>Cumulative as at 31 Dec 2016 RON</i>	<i>Fiscal Year 2017 RON</i>	<i>Cumulative as at 31 Dec 2017 RON</i>
Opening cash balance	0.00	0.00	0.00
State Treasury Account transactions			
Add: Pre-financing by the Government	65,353,462.65	12,001,835.50	77,355,298.15
Less: Project expenditure	65,353,462.65	12,001,835.50	77,355,298.15
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 2017**

2. STATEMENT OF EXPENDITURES

2.1 Project expenditure by component

Component/ Description	Cumulative as at 31 Dec 2016 RON	Expenditures for the year ended as at 31 Dec 2017 RON	Cumulative as at 31 Dec 2017 RON
<i>Component 1: Institutional Development</i>	7,184,737.10	5,245,766.19	12,430,503.29
SC1: Organizational Development	4,861,631.72	3,262,539.73	8,124,171.45
RAMP/CS/2 Development of NAFA's Analytical Capacity	1,909,334.57	0.00	1,909,334.57
RAMP/CS/3 Organizational Development: Management Systems	858,580.95	0.00	858,580.95
RAMP/7 Modeling SW licenses	110,724.00	0.00	110,724.00
RAMP/13 Logistics for training (Year 2016)	1,982,992.20	209,300.58	2,192,292.78
RAMP/14 Logistics for training (Year 2017)		3,053,239.15	3,053,239.15
SC2: Internal Control & Public Audit	378,573.33	283,342.06	661,915.39
RAMP/CS/4 Development of internal control functions	378,573.33	283,342.06	661,915.39
SC3: Human Resources & Training	905,993.70	1,244,733.20	2,150,726.90
RAMP/CS/5 Policy and strategy development for HR	905,993.70	1,244,733.20	2,150,726.90
SC4: Legal Framework & Appeals	1,038,538.35	455,151.20	1,493,689.55
RAMP/23 Training for Fiscal Procedural Code	837,597.17	0.00	837,597.17
RAMP/CS/6 Improved Appeals Process and Review of Legislation and Rulings Development	200,941.18	0.00	200,941.18
RAMP/CS/8 Training for Penal Code		241,320.10	241,320.10
RAMP/CS/9 Training for Civil Code		213,831.10	213,831.10
SC5: Business Process Re-engineering			
<i>Component 2: Increasing Operational Effectiveness and Efficiency</i>	46,500,063.99	5,003,899.84	51,503,963.83
SC1: Operational functions	5,755,294.22	1,164,131.23	6,919,425.45
RAMP/CS/10 Audit development and Audit techniques improvement	1,853,937.11	0.00	1,853,937.11
RAMP/CS/14 Review of High Volume Revenue Processing Operations	1,040,897.11	0.00	1,040,897.11
RAMP/CS/11 – Operational assistance for Management of High Net Worth Individuals	666,370.59	0.00	666,370.59
RAMP/CS/13 – Enforcement Development	363,052.14	0.00	363,052.14

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RAMP/CS/12 – Anti-fraud and Business Intelligence Development	1,711,120.44	495,455.19	2,206,575.63
RAMP/CS/24 Specialized Training on Organization and Functioning of Banking Sector	63,970.97	0.00	63,970.97
RAMP/CS/25 Specialized Training on Organization and Functioning of Insurance Sector	55,945.86	0.00	55,945.86
RAMP/8 E-audit licenses		668,676.04	668,676.04
SC2: Application software	4,963,184.70	1,608,526.35	6,571,711.05
RAMP/CS/1- Project definition, integration and implementation	4,963,184.70	1,608,526.35	6,571,711.05
SC3: IT infrastructure & implementation	35,781,585.07	2,231,242.26	38,012,827.33
RAMP/1-WS Workstations, monitors and multifunctional printer	9,856,532.09	0.00	9,856,532.09
RAMP/1-SR – Hardware, software & tr. for primary, secondary centre and data warehouse	9,664,303.05	114,463.79	9,778,766.84
RAMP/4 – Network improvement for datacenters (in 2 lots)	16,260,749.93	2,116,778.47	18,377,528.40
<i>Component 3: Taxpayer Services and Corporate Communication</i>	7,371,144.08	906,670.72	8,277,814.80
SC1: Taxpayer Services	3,057,136.73	585,569.12	3,642,705.85
RAMP/CS/15 Develop and implement New Taxpayer Service Concept	3,057,136.73	585,569.12	3,642,705.85
SC2: Corporate Communication	4,314,007.35	321,101.60	4,635,108.95
RAMP/CS/17 - Annual surveys	3,144,492.61	321,101.60	3,465,594.21
RAMP/CS/16 Design Communication Strategy and Develop Public Relations Skills	1,169,514.74	0.00	1,169,514.74
<i>Component 4: Project Coordination and Management</i>	4,297,517.48	845,498.75	5,143,016.23
SC1: Project Management Unit	4,297,517.48	845,498.75	5,143,016.23
RAMP/CS/ 20 procurement adviser	1,227,308.44	234,624.75	1,461,933.19
RAMP/CS/ 21 IT procurement adviser	1,571,105.55	488,645.03	2,059,750.58
RAMP/CS/ 22 translation services	191,522.74	34,596.01	226,118.75
RAMP/16 training	77,911.16	0.00	77,911.16
RAMP/18 operational costs	12,704.98	16,473.84	29,178.82
RAMP/18 operational costs bank charges	33,944.48	6,433.52	40,378.00
RAMP/20 training project management	55,220.72	0.00	55,220.72
RAMP/21 training PMU	111,547.24	38,853.45	150,400.69
RAMP/9 licenses project management	40,498.28	0.00	40,498.28
RAMP/CS/23 financial audit	49,886.67	25,872.15	75,758.82

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RAMP/22 training project management	54,153.08	0.00	54,153.08
RAMP/CS/27 Revenue administration consultant	438,534.78	0.00	438,534.78
RAMP/CS/26 Information Technology Consultant	433,172.97	0.00	433,172.97
<i>Other expenses</i>	6.39	0.00	6.39
SC2: Change Management			
Total Project Expenditure - Project Funds	65,353,462.65	12,001,835.50	77,355,298.15

2.2 Project expenditure by category

Category	<i>Cumulative as at 31 Dec 2016 RON</i>	<i>Expenditures for the year ended as at 31 Dec 2017 RON</i>	<i>Cumulative as at 31 Dec 2017 RON</i>
(1) Goods, non-consulting services, consultants' services, including audit, training and operating costs of the Project	65,353,462.65	12,001,835.50	77,355,298.15

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For the year ended 31 December 2017

3. SUMMARY OF STATEMENTS OF EXPENDITURES

During 2017 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>
14	534,671.82	534,671.82	24.01.2017	902.13
15	525,219.64	525,219.64	10.03.2017	77.16
16	497,721.62	497,721.62	14.07.2017	126,928.19
17	625,441.78	625,441.78	25.08.2017	51,668.28
18	412,349.57	412,349.57	05.10.2017	24,836.92
Total 2017	2,595,404.43	2,595,404.43		204,412.68

4. FINANCIAL STATEMENT OF THE LOAN

4.1 Total disbursements as at 31 December 2017

	<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
During 2016	6,370,467.09
As at 31 Dec 2016	14,097,250.11
During 2017	2,595,404.43
As at 31 Dec 2017	16,692,654.54
Total disbursements	16,692,654.54

National Agency for Fiscal Administration
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For the year ended 31 December 2017

4.2 IBRD payments during the period 1 Jan 2017- 31 Dec 2017

Withdrawal application	Beneficiary name	Type	Ccy	Amount claimed	Category	Ccy	Amount paid	Value date
14	MOPF	Reimbursement	EUR	534,671.82	1	EUR	534,671.82	24.01.2017
15	MOPF	Reimbursement	EUR	525,219.64	1	EUR	525,219.64	10.03.2017
16	MOPF	Reimbursement	EUR	497,721.62	1	EUR	497,721.62	14.07.2017
17	MOPF	Reimbursement	EUR	625,441.78	1	EUR	625,441.78	25.08.2017
18	MOPF	Reimbursement	EUR	412,349.57	1	EUR	412,349.57	05.10.2017
				2,595,404.43			2,595,404.43	

5. BUDGET REALIZATION

Component/Description	Allocated per component as per PAD EUR	31.12.2016	31.12.2016	31.12.2016	31.12.2017	31.12.2017	31.12.2017
		Accumulated to date EUR	Deviation EUR	Budget realization (%)	Accumulated to date EUR	Deviation EUR	Budget realization (%)
Component 1: Institutional Development	6,860,000	1,605,465	5,254,535	23.40%	2,750,943	4,109,057	40.10%
Component 2: Increasing Operational Effectiveness and Efficiency	57,700,000	10,422,782	47,277,218	18.06%	11,519,868	46,180,132	19.97%
Component 3: Taxpayer Services and Corporate Communication	2,920,000	1,642,359	1,277,641	56.25%	1,839,215	1,080,785	62.99%
Component 4: Project Coordination and Management	2,520,000	961,316	1,558,684	38.15%	1,146,069	1,373,931	45.48%
Total Project Expenditure - Project Funds	70,000,000	14,631,922	55,368,078	20.90%	17,256,095	52,743,905	24.65%

The total budget realization up to 31 December 2017 is 24.65%.

6. PROJECT COMMITMENTS

Project commitments as at 31 December 2017 are stated below:

National Agency for Fiscal Administration

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For the year ended 31 December 2017

Ct r No	Contract Reference Number	Objective of the agreement	Supplier	Signing date	Contract currency	Initial Contract Value in contract CCY	Add 2015 in contract CCY	Add 2016 in contract CCY	Add 2017 in contract CCY	Contract value in contract CCY	Contract value in EUR	Cumulative payments as at 2017 in EUR	Remaining value of the contracts in EUR
1	RAMP/CS/20	Procurement adviser	PFA Voicu C Victor Constantin	24.12.2013	EUR	524,050.00	-10,969.91		-1,978.27	511,101.82	511,101.82	327,099.26	184,002.56
2	RAMP/CS/22	Translation	SC International Consulting Alliance SRL	24.01.2014	EUR	79,994.88	-1,667.57	4,416.00	-331.17	82,412.14	82,412.14	50,548.48	31,863.66
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		-519,200.00		672,000.00	492,961.05	458,994.30	33,966.75
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 NAFAs Analytical Capacity	SC Ernst & Young SRL	16.09.2014	EUR	433,833.00	-6,297.75			427,535.25	427,535.25	428,788.99	
7	RAMP/CS/17	Annual Survey	Deloitte Consultant SRL	23.09.2014	EUR	1,046,870.00		-16,209.60	-2,701.59	1,027,958.81	1,027,958.81	778,339.51	249,619.30
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

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9	RAMP/ CS/16	Design Communi- cation 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	259,568.28	
10	RAMP/ CS/4	Developm- ent of internal control functions	Pricewaterhouse Coopers Tax Advisors & Accountants SRL	24.10.2014	EUR	212,350.00	-4,110.00	-1,027.50	207,212.50	207,212.50	146,395.69	60,816.81			
11	RAMP/ CS/14	Review of high volume revenue processin- g operations	Pricewaterhouse Coopers Tax Advisors & Accountants SRL	28.10.2014	EUR	275,032.00	-1,330.80	-332.70	273,368.50	273,368.50	233,437.23	39,931.27			
12	RAMP/ CS/12	Anti- Fraud and Business Intelligen- ce Developm- ent	Pricewaterhouse Coopers Tax Advisors & Accountants SRL	17.11.2014	EUR	561,410.00	-14,488.00	-1,358.25	545,563.75	545,563.75	490,993.70	54,570.05			
13	RAMP/ CS/10	Audit developm- ent and Audit technique improvm- ent	Accounting and Audit Reform Consultants (AARC) Ltd (Ireland)	02.12.2014	EUR	586,971.28			586,971.28	586,971.28	410,879.91	176,091.37			
14	RAMP/ CS/1	Project definition, integratio- n and implemen- tation	Ernst & Young SRL	05.12.2014	EUR	2,950,270.00	-68,103.89	-125,579.30	2,756,586.81	2,756,586.81	1,465,035.24	1,291,551.57			

National Agency for Fiscal Administration

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15	RAMP/ CS/13	Enforcem ent Developm ent	Pricewaterhouse Coopers Tax Advisors & Accountants SRL	10.12.2014	EUR	234,707.20				-6,151.60	228,555.60	228,555.60	81,899.50	146,656.10
16	RAMP/ CS/15	Develop and implemen t New Taxpayer Service Concept	CRC Sogema Inc (Canada)	23.01.2015	EUR	843,480.00					843,480.00	843,480.00	801,306.00	42,174.00
17	RAMP/ 1 - WS	Workstati ons, monitors and multifunct ional printer	ETA2U SRL	17.02.2015	EUR	2,220,840.00					2,220,840.00	2,220,840.00	2,218,486.26	
18	RAMP/ CS/23	Financial Audit	Baker Tilly Klitou and Partners SRL	28.02.2015	EUR	34,645.60		-935.20		-188.20	33,522.20	33,522.20	16,810.61	16,711.59
19	RAMP/ CS/3	Organizati onal Developm ent: Managem ent Systems	Pricewaterhouse Coopers Management Consultants SRL	03.03.2015	EUR	195,064.40		-3,460.82			191,603.58	191,603.58	190,344.79	
20	RAMP/ CS/5	Policy and Strategy Developm ent for HR	KPMG Advisory SRL	10.03.2015	EUR	514,031.73	-35,486.46			-2,302.06	476,243.21	476,243.21	475,500.76	
21	RAMP/ 22	Prince2 Project Managem ent Training for RAMP Team Leaders	SC Trilex Consulting SRL	14.04.2015	EUR	12,201.60					12,201.60	12,201.60	12,182.92	

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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	-2,022.60		-337.10	2,227,178.28	2,227,178.28	2,227,178.28	2,210,262.97	16,915.31
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	437,818.50	43,781.85		
24	RAMP/ CS/25	Specialized Training on Organization and Functioning of Insurance Sector	Pro Fiduciaria SRL	22.01.2017	EUR	14,424.00				14,424.00	14,424.00	14,166.35		
25	RAMP/ CS/24	Specialized Training on Organization and Functioning of Banking	Institutul Bancar Roman	08.02.2017	EUR	12,475.00				12,475.00	12,475.00	12,389.19		
26	RAMP/ 23	Training for Fiscal Procedural Code	KPMG TAX SRL	08.02.2017	EUR	196,516.75		-134.60		196,382.15	196,382.15	188,027.79		
27	RAMP/ 7	Modeling software licenses	MBL Computers SRL	11.03.2017	RON	110,724.00				110,724.00	24,734.50	24,497.00		

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28	RAMP/ 13	Logistics for training (Year 2017)	LDK Consultants & Engineers & Planners SRL	21.03.2017	RON	2,291,579.76			-45,191.88		2,246,387.88	503,380.96	488,295.43	
29	RAMP/ CS/27	Revenue administra tion Consultan t	David Tansey	06.05.2017	EUR	419,900.00					419,900.00	419,900.00	96,270.30	323,629.70
30	RAMP/ CS/26	Informati on technolog y consultant	Ali Rammal	18.05.2017	USD	607,880.00					607,880.00	540,070.42	96,611.59	
31	RAMP/ 4	Network Improvem ent for Datacente rs (in 2 Lots)	Datanet Systems SRL – asociere cu Nova Tech Integrated solutions	31.08.2017	USD	4,531,704.00				-240.00	4,531,464.00	4,064,958.39	4,087,606.47	-22,648.08
32	RAMP/ 8	E Audit Tool - Licences and Training	Caseware Idea Inc	20.12.2017	EUR	145,195.00					145,195.00	145,195.00	145,195.00	
33	RAMP/ 14	Logistics for training (Year 2017)	LDK Consultants & Engineers & Planners SRL	30.12.2017	RON	3,069,191.62					3,069,191.62	675,899.41	666,334.94	
34	RAMP/ CS/9	Training on Civil Code	International Consulting Expertise	01.03.2017	RON	213,831.10					213,831.10	47,289.98	46,449.75	
35	RAMP/ CS/8	Training on Penal Code	International Consulting Expertise	07.03.2017	RON	241,320.10					241,320.10	53,369.33	52,526.97	
			TOTAL											2,672,237.23

All contracts are approved by IBRD through the procurement plan.

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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.

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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 2017

Account no. : RO20TREZ23A510103650100X

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

Loan: 82610 RO

Currency : RON

	<i>Year 2017</i>
	<i>RON</i>
Balance as at 1 January	0.00
Cash receipts	12,001,835.50
Total cash receipts	12,001,835.50
Payments from treasury account	
Payments made in the reporting period	12,001,835.50
Total payments from treasury account	12,001,835.50
 Balance as at 31 December	 0.00

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.

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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

The Minister of Public Finance attended the April 20-21, 2018 Spring World Meeting of the World Bank Group and the International Monetary Fund in Washington, USA. During the discussion, the current portfolio of on going projects financed by the Bank in Romania, including the 8261-RO Loan Agreement on ANAF Modernization, and the continuation of this Project in a restructured form were analyzed. According to the address transmitted by the World Bank (NAFA registration no. RAMP 9660/14.05.2018), the Bank's representatives will perform a visit to Romania in the period 5- 8 June, 2018 for this restructuring

During period January – May 2018 the following withdrawal application was submitted:

Withdrawal application	Beneficiary name	Type	Ccy	Amount claimed	Category	Ccy	Amount paid	Value date
WA no 19	MOFP	Reimbursement	EUR	563,440.99	1	EUR	563,440.99	23-Jan-18

Daniela Manoli
RAMP Project Manager

Date: 31 May 2018

Adina Ionita
RAMP Financial Manager