

2nd EU-MD PFM Policy Dialogue, 18 June 2025

Financial reporting, public sector accounting standards

1. Align financial reports with international standards and ensuring compliance with the Public Finance Statistics Manual (GFSM 2014).
2. Launch the reclassification of the government sector, report extended general government data to the IMF, develop national public sector accounting standards based on IPSAS.

Budget management and spending efficiency

3. Increase budget transparency (i) by including self-managed entities in the Budget execution report for 2024 budget, (ii) by reducing the General actions section of the State budget to below 32% of total budget expenditures starting in 2026.
4. Adopt the legal obligation and methodology to regularly review all budgetary spending over at most 7 years.
5. Reduce the number of first level budgetary institutions, to make budgetary process more management and more transparent.

Public Investment Management

6. Strengthen Public investment management through establishment of designated focal point for Public Investment Management (PIM) in each ministry, public investment planning units established in at least 5 ministries, streamline PIM procedures and digitalise capital investment project monitoring.
7. Implement the single national project pipeline for all funds with coherent and internally aligned requirements. For Special Funds, all public capital investment projects proposals above the minimum threshold established in Regulation 684 are submitted through the Project Appraisal IT system and appraised according to the general rules on preparation and appraisal of capital investment projects.

Fiscal risks

8. Ensure monitoring and implementation of relevant mitigation measures to assure fiscal risk management including by implementing an internal instruction for developing an Analytical Note on the financial monitoring of state-owned enterprises and preparing a Risk Note.
9. Introduce a stress-testing tool for state-owned enterprises to assess fiscal risk.

Public debt

10. Advance deepening and diversifying MD domestic government debt market by (i) improving the regulatory framework to strengthen the primary dealership system and (ii) adopting the regulatory framework for issuing debt instruments in the international markets.
11. Strengthen analytical tools and instruments to perform debt sustainability analysis and monitor risks. Keep public debt within sustainable limits and continue regular updating the Medium-Term Debt Management programme.

Revenue mobilisation

12. Continue to broaden the tax base by completing the tax expenditure review and phasing out tax expenditures.
13. Increase the share of tax services that are available electronically for businesses and citizens.
14. Make steps towards modernising tax administration by strengthening risk-based approach to compliance risk management through revision and implementation of the new compliance program and preparing for an automated compliance risk management system.
15. Increase the share of risk-based tax audits and begin to digitalise the tax audit process (through implementing an automated case management system).
16. Finalise procedures and processes to join the Common Transit Convention and ensure full-fledged implementation of Customs Decision system (CDS).

Public Internal Financial Control

17. Make progress on rolling out the risk management approach in PIFC by improving risk management guidelines according to EU best practices and internationally recognized risk management frameworks. Perform at least one pilot exercise in a Central public body (ministry/agency) regarding the implementation of the guidelines.
18. Make progress on strengthening public internal financial control system by strengthening the mandate of the PIFC Council, enhancing the capacity and resources of the CHU/ and extending the PIFC IT reporting tool to local governments.

External Audit

19. Adopt legal amendments increasing budgetary independence of the Court of Accounts.

20. Make progress towards strengthening external audit function through strengthened Court of Accounts capacities, enhanced role of performance audits and better follow up of Court of Accounts recommendations.
21. Prepare and adopt a concept for external auditing of the local public authorities and define the role of Court of Accounts for overseeing it.
22. Advance the implementation of INTOSAI standards for external audit.