

**SPECIAL PURPOSE PROJECT FINANCIAL STATEMENTS**

---

**MODERNIZATION OF GOVERNMENT SERVICES PROJECT**

**IMPLEMENTED BY E-GOVERNANCE AGENCY MOLDOVA (E-GOV)**

**IBRD LOAN AGREEMENT 8774-MD (INCLUDING PPA IBRD AGREEMENT P487-MD)**

**IDA FINANCING AGREEMENT 6126-MD**

**GOVERNMENT CONTRIBUTION**

**FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020**

---

**MODERNIZATION OF GOVERNMENT SERVICES PROJECT  
 IBRD LOAN AGREEMENT 8774-MD (INCLUDING PPA IBRD AGREEMENT P487-MD)  
 IDA FINANCING AGREEMENT 6126-MD  
 GOVERNMENT CONTRIBUTION  
 PROJECT FINANCIAL STATEMENTS  
 FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020  
 (all amount in USD, unless stated otherwise)**

**BALANCE SHEET**

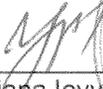
	31 December 2020 USD	31 December 2019 USD
<b>ASSETS</b>		
<b>Cash and cash equivalents</b>		
Cash under IBRD 8774-MD	97,730	97,730
Cash under IDA 6126-MD	358,837	685,503
<b>Total Cash</b>	<b>456,567</b>	<b>783,233</b>
<b>Undisbursed funds</b>		
IBRD 8774-MD (including PPA IBRD P487-MD) Undisbursed balance	4,643,946	4,643,946
IDA 6126-MD Undisbursed balance	11,255,871	13,277,079
Government Contribution Undisbursed balance	1,437,440	1,775,567
<b>TOTAL UNDISBURSED FUNDS</b>	<b>17,337,257</b>	<b>19,696,592</b>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>17,793,824</b>	<b>20,479,825</b>
<b>Cumulative project expenditures</b>		
IBRD 8774-MD (from PPA IBRD P487-MD) - Project Expenses	258,324	258,324
IDA 6126-MD - Project Expenses	3,941,162	1,114,497
Government Contribution – Project Expenses	993,272	654,433
<b>TOTAL CUMULATIVE PROJECT EXPENSES</b>	<b>5,192,758</b>	<b>2,027,254</b>
<b>TOTAL ASSETS</b>	<b>22,986,582</b>	<b>22,507,079</b>
<b>Source of funds (Funding)</b>		
IBRD 8774-MD (including PPA IBRD P487-MD)	5,000,000	5,000,000
IDA 6126-MD	15,000,000	15,000,000
Government Contribution	2,430,000	2,430,000
Translation exchange difference XDR/USD (for IDA 6126-MD)	556,582	77,079
<b>TOTAL FUNDING</b>	<b>22,986,582</b>	<b>22,507,079</b>
<b>TOTAL FUNDS AND LIABILITIES</b>	<b>22,986,582</b>	<b>22,507,079</b>

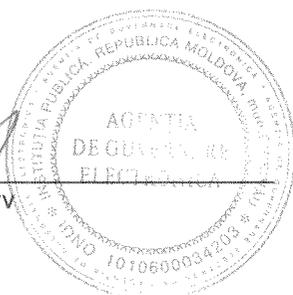
**MODERNIZATION OF GOVERNMENT SERVICES PROJECT  
IBRD LOAN AGREEMENT 8774-MD (INCLUDING PPA IBRD AGREEMENT P487-MD)  
IDA FINANCING AGREEMENT 6126-MD  
GOVERNMENT CONTRIBUTION  
PROJECT FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020  
(all amount in USD, unless stated otherwise)**

**DESIGNATED ACCOUNT STATEMENT**

For the purposes of Project implementation, the e-Gov used the Designated Accounts № 3261584073/59410C00511AA in USD and № 227201/59410C0051AA in MDL, opened at the National Bank of Moldova (the State Treasury of Moldova). The account movements were as follows:

	1 January 2020 - 31 December 2020 USD	1 January 2019 - 31 December 2019 USD
<b>Opening balance</b>		
IBRD 8774-MD (including PPA IBRD P487-MD)	97,730	97730
IDA 6126-MD	685,503	179,042
	<b>783,233</b>	<b>276,772</b>
<b>Add:</b>	-	-
Sources of funds – IBRD 8774-MD (including PPA IBRD P487-MD)	-	-
Sources of funds – IDA 6126-MD	2,500,000	1,300,000
Sources of funds – Government Contribution	338,838	352,998
<b>Less:</b>	-	-
Use of funds - IBRD 8774-MD	-	-
Uses of funds – IDA 6126-MD	2,828,302	792,796
Uses of funds – Government Contribution	338,838	352,195
Exchange Rate Differences	(1,636)	1,546
	-	-
IBRD 8774-MD (including PPA IBRD P487-MD)	97,730	97,730
IDA 6126-MD	358,837	685,503
<b>Closing balance</b>	<b>456,567</b>	<b>783,233</b>

  
Mrs. Tatiana Iov  
Director



  
Mrs. Lilia Luca  
Chief Accountant

The special purpose Project financial statements and related notes on pages 4 to 10 were signed and approved by e-Gov on 04 August 2021.

**MODERNIZATION OF GOVERNMENT SERVICES PROJECT  
IBRD LOAN AGREEMENT 8774-MD (INCLUDING PPA IBRD AGREEMENT P487-MD)  
IDA FINANCING AGREEMENT 6126-MD  
GOVERNMENT CONTRIBUTION  
PROJECT FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020  
(all amount in USD, unless stated otherwise)**

---

signed between the International Bank for Reconstruction and Development (18 April 2017) and the Republic of Moldova (4 May 2017), effective as of 1 September 2017, in the amount of USD 1,753,221. The Financing and Loan Agreements were signed in order to achieve the objective of the Project: to strengthen Modernization of Government Services through increased accessibility, efficiency and quality of delivery of selected government services. On March 4, 2019, the undisbursed amount under the IBRD Loan 87740 was converted from USD 4,643,946 to EUR 4,097,540.

## **2. ACCOUNTING POLICIES**

### **Basis of accounting**

These Project Financial Statements are prepared solely for the purpose of complying with the terms of the IDA 6126-MD and IBRD 8774-MD (including PPA IBRD P487-MD) Financing and Loan Agreements, signed between the Republic of Moldova and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA"). As a result, the Project Financial Statements may not be suitable for another purpose.

The Project Financial Statements have been prepared in accordance with the basis of preparation and significant accounting policies described below.

### **Basis of preparation**

The Project Financial Statements have been prepared in accordance with the accounting policies listed below.

The cash basis of accounting was used in the preparation of these special purpose Project financial statements since the recording of cash receipts and payments is the primary interest. Under the cash basis system income (or expenditure) is recognized when cash is received (or paid) irrespective of when goods or services are received.

The amounts are expressed in USD and are prepared for the period from 1 January 2020 to 31 December 2020.

### **Functional and presentation currency**

The Project's functional and presentation currency is the United States Dollars (USD). The transactions performed in other currencies are converted and reported in USD using the official exchange rate of the National Bank of Moldova on the date of payment. The total funding has been accounted at the historical rate at the approval of the Project Financing. The Undisbursed balance under the Credit IDA 6126-MD in the Financial Statement is calculated using the USD/SRD rate at the period end. The exchange rate of SDR/USD as of 31 December 2020 is 1.44027000.

### **Procurement**

All goods and services required for the project were procured in accordance with the requirements set forth or referred to in the:

- "Guidelines of Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014.
- "Guidelines of Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014.

### **Designated account**

The Designated account is opened by the State Treasury at the National Bank of Moldova and is the account through which the replenishments are drawn. All payments for eligible expenses are made from this Designated account and if the payment is in local currency it is made through a transitory account.

**MODERNIZATION OF GOVERNMENT SERVICES PROJECT  
IBRD LOAN AGREEMENT 8774-MD (INCLUDING PPA IBRD AGREEMENT P487-MD)  
IDA FINANCING AGREEMENT 6126-MD  
GOVERNMENT CONTRIBUTION  
PROJECT FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020  
(all amount in USD, unless stated otherwise)**

**4. EXPENDITURE DETAIL BY PROJECT ACTIVITY**

Below are presented the actual Uses of Funds by project component and category for the reporting period.

	1 January 2020 - 31 December 2020	Accumulated to-Date
<b>IBRD 8774-MD (from PPA IBRD P487-MD)</b>		
<b>Component 1. Administrative Service Modernization</b>	-	55,737
1.1 Business process re-engineering	-	-
1.2 Reform management and coordination	-	43,162
1.3 Expanding access points for central government e-Services	-	-
1.4 Citizen Feedback and Outreach	-	12,575
<b>Component 2. Digital Platforms and Services</b>	-	11,609
2.1 Digital platform and Services	-	-
2.2 Strengthening digital infrastructure	-	11,609
2.3 IT Management and Cyber security	-	-
<b>Component 3. Services Delivery Model Implementation</b>	-	-
3.1 Institutional Capabilities Development, Sizing and Shaping Org Structures and HR	-	-
3.2 Capacity Development and Adaptation of Staff Skills to the New Model of Service Delivery	-	-
3.3 Enhancing Performance in Service Delivery	-	-
<b>Component 4. Project Management</b>	-	190,978
4.1 Project Management Unit c	-	111,754
4.2 eGC Management	-	79,224
<b>IBRD 8774-MD Total</b>	-	<b>258,324</b>
<b>IDA 6126-MD</b>		
<b>Component 1. Administrative Service Modernization</b>	692,510	1,091,001
1.1 Business process re-engineering	233,265	483,579
1.2 Reform management and coordination	169,421	289,177
1.3 Expanding access points for central government e-Services	142,355	155,208
1.4 Citizen Feedback and Outreach	147,468	163,037
<b>Component 2. Digital Platforms and Services</b>	1,691,803	1,812,803
2.1 Digital platform and Services	184,440	279,795
2.2 Strengthening digital infrastructure	1,398,931	1,424,576
2.3 IT Management and Cyber security	108,432	108,432
<b>Component 3. Services Delivery Model Implementation</b>	70,542	104,245
3.1 Institutional Capabilities Development, Sizing and Shaping Org Structures and HR	5,948	39,651
3.2 Capacity Development and Adaptation of Staff Skills to the New Model of Service Delivery	-	-
3.3 Enhancing Performance in Service Delivery	64,594	64,594
<b>Component 4. Project Management</b>	373,447	932,655
4.1 Project Management Unit c	155,420	350,105
4.2 eGC Management	218,027	582,550
<b>IDA 6126-MD Total</b>	<b>2,828,302</b>	<b>3,940,704</b>
<b>Government Contribution</b>		
<b>Component 4. Project Management</b>	338,838	992,560
4.2 eGC Management	338,838	992,560
<b>Government Contribution Total</b>	<b>338,838</b>	<b>992,560</b>
Exchange rate differences	(1,636)	1,171
<b>Total Expenditures</b>	<b>3,165,504</b>	<b>5,192,759</b>