

Annex 1- Action Plan 2022-2024 for implementation of the PFM Strategy 2022-2026

Strategic Objective 1:		ENSURING SUSTAINABLE FISCAL DISCIPLINE		
Impact Indicator:	Maintaining budget deficit at <2% of GDP			
Specific Objective 1.1		Indicator(s) to measure objective fulfillment		
Strengthening macro fiscal projections by aligning them with fiscal risk assessments.		Deviation of budget revenues outturn versus the annual budgeted revenues.		
Activities		Milestones		
		2022	2023	2024
1.1.1 Institutional and administrative arrangements for fiscal risk assessments.		Fiscal Risk Division established under MFLT	Improved technical and analytical capacities of Fiscal Risks Division through specialized trainings Methodology for identifying and quantifying fiscal risks developed and published in the MFLT website. Methodology for monitoring fiscal risks developed and published in the MFPT website	Further improvement of the technical and analytical capacities of Fiscal Risks Division through specialized trainings Continuous monitoring of the fiscal risks.
1.1.2. Systematic Integration of fiscal risks into medium term budgeting.			Fiscal risk assessment identified and presented as an integral part of macro fiscal framework under 2024-2026 MTEF, Annual Budget 2024 and ERP 2024	Fiscal risk assessment identified and presented as an integral part of macro fiscal framework under 2025-2027 MTEF, Annual Budget 2025 and other relevant strategic documents.
Specific Objective 1.2		Indicator(s) to measure objective fulfillment		
Strengthening revenue collection and measuring the tax gap.		Increase of timely filing of Tax Declaration.		
		Increase the ratio between tax revenues and GDP.		
		Increase of customs revenue and compliance compared to previous year.		
Activities		Milestones		
		2022	2023	2024
1.2.1. Improve Tax Compliance Activities through compliance projects.		Implementation of five compliance projects in high risk sectors (1. Construction, 2. Hotels and Restaurants, 3. Informal Employment, 4. Non-filers and Late-filers, 5. Lack of stock of goods)	Implementation of six compliance projects in high risk sectors (continuation of five projects from 2022 plus 1. Treatment of VAT credits)	Implementation of other compliance projects based on risk assessment
1.2.2 Advancing operational capacities in revenue collection.		Assessment and Implementation of KPI performance measurements Correct application of customs rules for the classification of goods 6 Valuation methods	Further improvement of the electronic system for collection of customs revenues	Further improvement of the electronic system for collection of customs revenue
1.2.3. Enhancing inter-institutional cooperation between TAK and Custom of Kosovo on fighting informal economy.		Joint risk assessments on identification of high risks sectors/ industries Joint verification activities on high risk sectors/industries	Joint risk assessments on identification of high risks sectors/ industries Joint verification activities on high risk sectors/industries	Joint risk assessments on identification of high risks sectors/ industries Joint verification activities on high risk sectors/industries
1.2.4 Improve risk assessment through expanding the process for identifying, assessing, prioritizing, and mitigating compliance risks to cover significant risks for all tax types.		Revising risk assessment criteria's Testing of new risk assessment module	Risk assessment criteria set. Implementation of new risk assessment criteria's Number of institutions that TAK use third-party information Implementation of risk assessment module	Risk assessment criteria set Implementation of new risk assessment criteria's Number of institutions that TAK use third-party information Implementation of risk assessment module
1.2.5 Measuring Tax Gap		Training on Tax Gap measuring methodology	Model for Tax Gap assessment Developed	Methodology of Tax Gap Assessment Tested
Specific Objective 1.3		Indicator(s) to measure objective fulfillment		
Sound tax expenditures.		Comprehensive Tax Expenditures assessment integrated into budget document.		
Activities		Milestone		
		2022	2023	2024
1.3.1 Institutional and Administrative arrangements for sound tax expenditures.		Appropriate methodology for measuring Tax Expenditures adopted based on best experiences	Compilation and publication of tax expenditure assessment	Integration of Tax Expenditures in the Annual Budget 2025 and MTEF 2025-2027

Baseline		Target 2026	
-0.60%		<2% (As per fiscal rule definition)	
Baseline		Target 2026	
15.8% (Reference year for the baseline is 2021)		-.5 % to 10 % (PEFA A)	
		Institutions	
Finance (Budget /Gap)		Leadership	Support
87,772 BRK 56,400 Dona. ----- Total: 144,172	MFLT, Fiscal Risk Division	IMF, WB, GIZ, USAID	
NA	MFLT, Makro Dep		
Baseline		Target 2026	
60%		85%	
6.7%		9%	
7% (average 2019-2021)		7% increase compared to previous year	
		Institutions	
Finance (Budget /Gap)		Leadership	Support
2,153,775 BRK	TAK	IMF, USAID, EU, GIZ, World Bank	
324,500 BRK 21,760 Dona. ----- Total: 346,260	KC	EU	
207,022 BRK	TAK, KC		
301,410 BRK	TAK		
25,840 BRK	FPFMD		
Baseline		Target 2026	
No assessment of Tax Expenditures		Tax expenditures fully integrated into the budget planning process	
		Institutions	
Finance (Budget /Gap)		Leadership	Support
4,600 BRK	MFLT , Department for Fiscal Policy and Financial Markets.	IMF, World Bank	

1.3.2 Drafting concept document in the area of tax expenditures.		Concept Document approved by the Government		92,450 Dona.	MFLT , DEIPC	
--	--	---	--	--------------	--------------	--

Strategic Objective 2:		Baseline	Target 2026
Impact Indicator:	Medium-term strategic plans are prepared and costed for most ministries and most expenditure policy proposals in the approved medium-term budget estimates align with the strategic plans.	>75% (Reference year 2020)	>75%

Specific Objective 2.1	Indicator(s) to measure objective fulfillment			Baseline	Target 2026
Strengthening the link between strategic planning and budgeting.	Credibility of medium term expenditure plans (%) - The percentage difference between the planned expenditures in the MTEF approved two years before the latest full calendar year and the outturn of the latest full calendar year.			10.7% (Reference year is 2021)	2-4.99 %
Activities	Milestones			Institutions	
	2022	2023	2024	Finance (Budget /Gap)	Leadership Support
2.1.1. Strategic Planning Steering Group (SPSG) meetings to be held in line with the adopted calendar.	Adoption of the calendar	Regular meetings held	Regular meetings held		SPO/OPM Budget Department, Macro Department
2.1.2 Submission to the MFLT of a budget proposal endorsed by Budget Organisation working group (or a committee with an appropriate designation, during the budget proposal stage) consisting of political staff (cabinet of the Minister), Secretary General, Chief Finance Officer and directors of agencies and departments.		Issuance of Budget Instruction to include guidance on the structure of the WG and the steps for budget planning. Establishment of a Working Groups within BO	Issuance of Budget Instruction to include guidance on the structure of the WG and the steps for budget planning. Establishment of a Working Groups within BO	1,000 BRK	Budget Department Budget Organizations
2.1.3 The Ministry of Finance, Labor and Transfers / Budget Department will provide information on the differences between last year's MTEF and the current MTEF, with explanations on the change / deviations of the higher amounts in tabular form.	Table of explanation included 2023-25	Table of explanation included 2024-26	Table of explanation included 2025-27	1,100 BRK	Budget Department Macro Department
2.1.4 Alignment of MTEF sectors and strategic planning sectors with COFOG 2 level classification.		Re-classification of sectors (alignment of sectors) in line with COFOG 2 level Approval of the MTEF 2024-2026 in line with the with the COFOG 2 level	Approval of the MTEF 2025-2027 in line with the COFOG 2 lev	37,400 BRK	Budget Department
2.1.5 Establishment of a methodology and the procedure for drafting the Statement of Medium Term Priorities.		Methodology for drafting the Statement of Medium Term Priorities adopted	Methodology for drafting the Statement of Medium Term Priorities in use and implemented		SPO/OPM Budget Department, Macro Department
Specific Objective 2.2	Indicator(s) to measure objective fulfillment			Baseline	Target 2026
Strengthening multi annual contractual commitment recording.	Relevant PFM systems integrated to ensure multi annual commitment recording (KFMS, PIP, E-procurement).			NA	Fully functional integration of systems
Activities	Milestones			Institutions	
	2022	2023	2024	Finance (Budget /Gap)	Leadership Support
2.2.1 Addressing multi annual contractual commitments issues in the reviewed Law on public financial management and accountability.	Approval of the Concept Document for review of LPFMA	Approval of the amended LPFMA	Implementation of the amended Law		MFLT/ Legal Dep.
2.2.2 Advancing PIP and KIMFS systems for recording multiyear planning and commitments.		Development of a new module for multi-year planning and commitments	New module fully functional	20,000 BRK 40,000 Gap	DMITS
2.2.3 Interlinkage of KFMS system with the E-procurement platform-system		Finalization of a Roadmap and MoU between MFLT and the PPRC	Interlinkage between the KFMS and the E-procurement fully functional	150,000 Dona. 50,000 Gap 5,000 BRK ----- Total: 205,000	DMITS., PPRC USAID
2.2.4 Publish contractual commitments by project in Annual Financial Reports using multi annual commitment data.			Annual Financial Report 2024, approved in 2025 will contain information on multiannual commitment data	6,264 Gap	Treasury

Strategic Objective 3:		FURTHER IMPROVEMENT OF OPERATIONAL EFFICIENCY		Baseline	Target 2026	
		Share of negotiated procedure without prior publication in total value of awarded contracts.		11.36%	7.50%	
Impact Indicator:		Functioning of Internal Control.		SIGMA score 2021: 1	SIGMA score achieved: 3	

Specific Objective 3.1	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Improving efficiency and effectiveness of public procurement processes.	Percentage of using the MEAT award criterion in the total value of signed contracts.			0.89%	10.00%	
	Percentage of cancelled procedures in total number of published procedures.			24.00%	18.00%	
Activities	Milestones			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
3.1.1 Amending legal framework on public procurement.		Drafting of the new PPL Adoption of the new PPL by the Government and by the Parliament Commencement of drafting of the secondary legislation in line with the Draft Proposal of the new PPL Drafting administrative instruction on MEAT award criteria	Drafting secondary legislation in line with the new PPL	90,000 Don. 4,500 BRK ----- Total: 94,500	MFLT PPRC	EU, USAID, LuxDev-ZKM (KSV/019)
3.1.2 Amending legal framework on PPPs and concessions.		Drafting of the new PPP Law Adoption of the new PPP Law by the Government and by the Parliament	Entering of the new PPP Law into force Drafting, adoption and entering into force of the secondary legislation in line with the new PPP Law		MFLT – PPP Central Department	
3.1.3 Advancing and harmonizing of e-Prokurimi system in line with the new PPL.		Analysis and evaluation of the functionalities of the e-procurement system to identify the necessary technological and legal changes for inclusion in the advancement. Preparation of the terms of reference and technical specifications proposed for the change and advancement of the functionalities of the e-procurement system in compliance with the new PP Law, including the contracting of the changes accompanied by a clear dynamic plan about development, implementation and putting into use . Software development, testing, organization of trainings for CA and EO, preparation of instruction manuals, and implementation of changes within the advancement of the e-procurement system. Increased capacities of the IT staff in the PPRC in order to fulfill the obligations/requirements of the PPRC in relation to the technological advancements of the e-procurement system as a result of the new PP law. The start of using the electronic procurement system with new functionalities for appeal procedures in procurement activities (requests for reconsideration and complaints to the PRB).	Beginning the use of the e-procurement system in the development of procurement procedures in compliance with the new Law on PP. Full deployment of the interoperability link between eProcurement and Treasury. Full use of the new functionalities (modules) for the complaints system (requests for reconsideration and complaints in the PRB). Sufficient IT capacities in PPRC to fulfill the obligations in relation to the functioning and uninterrupted operation of the electronic procurement system services, including the support of users (CA, EO, others) in the use of electronic procurement functionalities. Advancement of the electronic procurement system application in function of opening procurement data in compliance with the national action plan for open government.	230,000 Don. 160,000 BRK 36,000 Gap ----- Total: 426,000	PPRC	USAID, WB UK Embassy
3.1.4 Introducing of a risk-based monitoring.		Development of monitoring methodology based on risk assessment and red-flags system	Commencement of implementing risk-based monitoring system	20,000 Don.	PPRC	EU, USAID
3.1.5 Adapting the training system in line with the new legal framework.		Preparation of the training system scheme, training plan and methodology in line with the new PPL	Commencement of implementation of the annual training plan in line with the new PPL	20,000 Don.	PPRC KIPA	EU, USAID
3.1.6 Developing and implementing training and awareness rising activities.		Organizing four workshops on price/quality award criteria (MEAT) Organizing awareness rising / training event on the new legal framework for interested stakeholders Introduction of regular survey(s) for public procurement users and on public perception regarding public procurement	Organizing awareness rising / training events (min. six) on the new legal framework for contracting authorities Organizing awareness rising / training events (min. two) on the new legal framework for economic operators Organizing workshops (min. two) on price/quality award criteria (MEAT) Organizing additional workshops (min. two) in line with results of the survey	10,000 Don. 17,000 BRK ----- Total: 27,000	PPRC KIPA	EU, USAID, LuxDev-ZKM (KSV/019), Chambers of Commerce
3.1.7 Preparing general and tailor-made implementing tools (manuals, instructions).		Developing manual on price/quality award criteria (MEAT) Developing manual on market research	Updating manuals / instructions on procurement procedures and use of eProkurimi in line with the new PPL Carrying out survey for identification of specific topics/sectors (such as tech. spec., works, contract management, contract amendments) to be covered by tailor-made training and implementing tools Developing additional implementing tools (min, two) in line with results of the survey and identified needs (various topics, including on fight against irregularities and corruption)	70,000 Don. 2,500 BRK ----- Total 72,500	PPRC	EU, USAID, LuxDev-ZKM (KSV/019)

3.1.8 Improving cooperation and coordination among key institutions relevant for public procurement system.	Commencement of regular semi-annual meetings of key institutions coordinated by the PPRC (exchange of information, addressing identified issues, identification of follow-up joint activities, identification of training needs, etc.)	Preparation annual overview of the most significant challenges within the PP system based on data provided by the key institutions (PPRC data, PRB decisions, KNAO findings, etc.) Organizing tailor-made training events (min. two) on the new legal framework for key institutions Holding coordinative meeting(s) of key institutions coordinated by the PPRC (exchange of information, addressing identified issues, identification of follow-up joint activities, identification of training needs, etc.)	Holding coordinative meeting(s) of key institutions coordinated by the PPRC (exchange of information, addressing identified issues, identification of follow-up joint activities, identification of training needs, etc.) Preparation of annual overview of the most significant challenges within the PP system based on data provided by the key institutions (PPRC data, PRB decisions, KNAO findings, etc.)	7,000 BRK	PPRC	USAID, EU, KNAO, PRB
3.1.9 Improving management of centralized procurement procedures.		Analyzing operational and technical requirements for introduction of the CPA's management system	Upgrading the CPA's website Drafting technical specifications for the CPA's management system Development and introduction of methodology for assessment of systematic benefits' analysis of conducted centralized procurement procedures and awarded contracts	20,000 Don. 8,000 BRK Total: 28,000	CPA	

Specific Objective 3.2	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Strengthened internal control.	Functioning of Internal Control.			SIGMA score 2021: 1	SIGMA score achieved: 3	
Activities	Milestones			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
3.2.1 Review of relevant financial rules (PEFA).		Establishment of working group for the review of financial rule 01/2013. Establishment of working group for chart of accounts rule Establishment of working group for non financial assets rule	Finalization of reviewed financial rule 01/2013. Finalization of reviewed rule for chart of accounts Finalization of reviewed rule for non financial assets	34,900 Dona. 6,000 BRK ----- Total: 40,900	CHU, Treasury, Macro	USAID, EU, SIGMA
3.2.2 Application of risk management in all BOs.	Monitoring of how risk management is carried out in 5 BO - compliance assessment Awareness raising working-meetings with CAOs on COSO framework, managerial accountability and self-assessment questionnaire - 1 working meeting	Draft and approved MFLT note-letter to instruct all BO to apply COSO ERM principles for risk management Awareness raising working-meetings with CAOs on COSO framework, managerial accountability and self-assessment questionnaire - 2 working meeting Monitoring of how risk management is carried out in 5 BO - compliance assessment	Monitoring of how risk management is carried out in 6 BO - compliance assessment Awareness raising working-meetings with CAOs on COSO framework, managerial accountability and self-assessment questionnaire - 2 working meeting	5,400 BRK	CHU/FMC	EU
3.2.3 Prepare and approve the procedure for reporting and processing irregularities.		Procedure for reporting and processing irregularities drafted	Procedure for reporting and processing irregularities	31,900 Dona. 7,000 BRK ----- Total: 37,900	CHU/FMC	USAID
3.2.4 Monitoring and evaluation of Self-assessment questionnaire on FMC.	Follow-up on 6 BO based on risk and gaps revealed in the questionnaires	Follow-up on 7 BO based on risk and gaps revealed in the questionnaires	Follow-up on 8 BO based on risk and gaps revealed in the questionnaires	4,500 BRK	CHU/FMC	USAID UK Embassy
3.2.5 Continuous training on the application of the FMC manual.	25 BO officials trained	55 BO officials trained	85 BO officials trained	5,607 BRK	CHU/FMC	EU
3.2.6 Disclosure of the arrears.		Annul financial report 2022 containing report on arrears.	Annul financial report 2023 containing report on arrears.		Treasury	
Specific Objective 3.3	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Ensure proper level of an independent external audit function in line with INTOSAI Framework by 2026.	Independence of the supreme audit institution – overall indicator value of SIGMA assessment.			Overall 2021 SIGMA indicator value is 4	Overall reached SIGMA indicator value is 5	
Activities	Milestones			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
3.3.1 Further strengthening of the KNAO mandate to perform external audits in effective and professional standard ISSAI.		Concept Document on the new draft Law of KNAO approved by GoK.	Draft Law for Auditor General and National Oudit Office approved by GoK. Sub-normative acts drafted in accordance with the approved Law for Auditor General and National Oudit Office.	7,603 BRK	MFLT, KNAO	SIGMA, USAID
3.3.2 Digitalize KNAO corporate services.		Software for HR developed (IIIQ)	Internal policies and instructions of KNAO adopted to use HR digital software (IIIQ)	5,000 BRK	KNAO	
Specific Objective 3.4	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Ensure high-quality audits in line with IFPP and best international practice to contribute improved management of public finances.	Effectiveness of the external audit system – overall indicator value of SIGMA assessment.			Overall 2021 SIGMA indicator value is 3	Overall reached SIGMA indicator value is 4	
Activities	Milestone			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
3.4.1 Strengthen institutional responsibility to implement KNAO recommendations.		Regulation on implementation of the audit and action plans reviewed (IV)	Amendments to the regulation aimed to strengthen institutional accountability approved by the AG (IQ)	1,500 BRK	KNAO	USAID
3.4.2 Dissemination of good practice.	Enhanced communication and meetings with audited entities with regard to the benefits of the implementation of audit recommendations conducted (IV)	The list of budgetary organizations successfully implemented audit recommendations, published in the KNAO website and social media channels (IIIQ)	Other budgetary organizations to follow good practices urged (IIQ)	525 BRK	KNAO	USAID
3.4.3 Enhance cooperation of KNAO with MLGA and donor community in Kosovo in terms of indicator of provisions on municipal performance grants.		Meetings and continuous communication with donors aimed to enhance good financial performance and accountability of the local government conducted (IV)	Meetings and continuous communication with donors aimed to enhance good financial performance and accountability of the local government conducted (IV)	800 BRK	KNAO MLGA	USAID, DAI, Demos
3.4.4 Enforcement of KNAO already developed follow-up mechanisms.	Data base on the follow up audit recommendations reviewed and tested in order to assess its functionality (in terms of inter-communication with the KNAO audit software) (IVQ)	Data base on the follow up on audit recommendations, launched (IIQ)	Data-base is maintained (IVQ)	4,000 BRK	KNAO	USAID
3.4.5 Improve audit methodology.		Performance audit manual reviewed (IV)		21,500 Dona. 4,000 BRK ----- Total:25,500	KNAO	SNAO, USAID
3.4.6 Engage of Assembly Functional Committees into the scrutiny of audit reports.	Session dedicated to better cooperation with Assembly Committees included into the Annual KNAO Conference (IIIQ)	At least 1 performance audit report discussed at the sectoral parliamentary committee (IVQ)	At least 2 performance audit reports discussed at the functional parliamentary committees (IVQ)	11,000 BRK	KNAO	USAID
3.4.7 Strengthen parliamentary oversight of public finances.	Continuous professional support to MPs provided by KNAO auditors (dissemination of audit reports, briefings of audit reports and information sessions)	Continuous professional support to MPs provided by KNAO auditors (dissemination of audit reports, briefings of audit reports and information sessions)	Continuous professional support to MPs provided by KNAO auditors (dissemination of audit reports, briefings of audit reports and information sessions)	60,000 BRK	KNAO	USAID
3.4.8 Further improvement of QA and QC systems.		Overall understanding of differences between QA and QC in organisational level.	QA Department works in line with intention of ISSAI 140		KNAO	SNAO

Specific Objective 3.5	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Expanding and professionalizing Internal Audit.	Functioning of internal audit.			Overall 2021 SIGMA indicator value is 4	Overall SIGMA assessment reached is 5	
	Operational framework for internal audit.			Overall 2021 SIGMA indicator value is 3	Overall SIGMA assessment reached is 4	
Activities	Milestone			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
3.5.1 Internal audit coverage of budget organizations.	85%	87%	90%		CHU	USAID
3.5.2 Institutionalizing continuing professional development programme (CPD).	Feasibility Study for the continuing professional development programme	Approval of continuing professional development programme	Continuing professional development programme operational and implemented	12,000 Gap 9,500 BRK ----- Total:21,500	CHU	USAID
3.5.3 Review of the monitoring methodology of IAU activities.	Review of current monitoring methodology	Approval of new monitoring methodology	Implementation of new monitoring methodology	14,250 BRK	CHU	USAID
3.5.4 Quality assurance of IAU.	QA of 10 IAUs	QA of 10 IAUs	QA of 11 IAUs	14,250 BRK	CHU	USAID
3.5.5 Introduction of performance audit.	Draft manual on performance audit. Continuing pilot performance audits at local BO	Approval of performance audit manual. Initiating inclusion of performance audit aspects in audit reports.	Formalizing performance audit elements in audit reports		CHU	IAUs USAID
3.5.6 Cooperation with external audit (KNAO).	Organizing meetings to exchange information and audit reports.	External auditors and CHU/IA discuss audit activities what require greater focus to enable external auditors to plan and conduct audits more efficiently	Cooperation between CHU/IA and KNAO formalized	7,938 BRK	CHU	USAID
3.5.7 Drafting AI for national training program for certification of Internal auditors in public sector.	Drafting AI	Approval of AI	Implementation of AI		CHU	EU- GIZ TA project

Strategic Objective 4:	HUMAN CAPITAL AND ICT INFRASTRUCTURE STRENGTHENED TO SUPPORT DIGITAL AND TRANSPARENT PFM SYSTEM IN KOSOVO	Baseline	Target 2026
Impact Indicator:	Enhanced and sustainable ICT service management: a) Duration of payment acceptance b) Consolidation and integration of the hardware infrastructure c) Number of financial systems compatible according to international standards	a) 24-72 hours b) 25% c) 0	a) 1 minute b) 100% c) 60
	Transparency and comprehensiveness of budget reporting and scrutiny	Overall indicator is 4, with total points 25/32 (2021)	Overall indicator is to reach highest value of 5 with total points (28-32)

Specific Objective 4.1	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
An effective information management system is in place, which supports continuous digital development of an effective and transparent public finance management system.	Further strengthened/developed PFM IT Services and Infrastructure.			Seven PFM IT systems integrated	All IT systems and services in MFLT are strategically planned, implemented and sustainable.	
Activities	Milestones			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
4.1.1 Detailed Business process documented and gap analysis.	The working group will be created having a diverse composition from IT analyst and business.	Current business processes documented, analyzed and recommendations on their reengineering needed is provided	Business processes streamlined and improved in accordance with best international practice	8,550 BRK 41,450 Dona. ----- Total:50,000	DMITS	EU GIZ
4.1.2 Implementation of an unified IT system of the PFM based on the completed IT Audit report and the Road map for IT development.	Prior approval by MFLT for the restructuring and transformation of IT service management into a dedicated IT Agency for MFLT support.	The regulatory and legal framework has been reviewed and the necessary changes in the general IT framework for sustainable government fiscal management have been identified. The IT workforce was restructured within the MFLT in order to increase support for the PFM	All the elements of the new IT operating model – processes, tools, organization, governance and technology – align with each other. The ICT Agency is established and able to provide comprehensive support and digital transformation for all PFM processes.	1,032,300 BRK	DMITS	
4.1.3 Advancing a Property Tax Management System.	Redevelopment of the financial card. Operation of the Cama mass property valuation tool. IT gap analysis and empowerment plans to advance PTMS will be completed.	Automation of taxation and mass billing for 2023 and the following years Automation of exchange for all data PTD-KCA and vice versa. Property tax registry cleaning Further developments arising from the Law and the AI	The advanced property tax management system, harmonized with the Law on AI, is fully functional. Full integration of PTMS within the eKosova and MFLT interoperability platform.	19,950 BRK 2,000,000 Dona. ----- Total: 2,019,950	DMITS	EU GIZ

4.1.4. Advancing BDMS+PIP Systems.	Upgrading Database and Application from old version to new Analysis of the systems for the 2nd budget review	Functionalization of the new Budget planning system. Digitalization of the MTEF (needs further discussion with budget department) Develop data exchange interfaces between budget systems (BDMS, PIP) and other systems according to the requirements	New fully functional budget planning system. The new budget planning system is integrated with the Datawarehouse platform, SIMFK to MFLT and the Government's Strategic Platform.	819,950 BRK 200,000 Dona. ----- Total: 1,019,950	DMITS-BD	EU GIZ
4.1.5 Advancing the systems for pension, social, war categories, etc.	Advancing pension schema Development and functionalization of a module for midwives, and module for children allowances. Development of Platform for Social Services (5 Case Management Modules) Capacity building of end-users	Advancing pensional system, and creating new web application forms and modules (8 modules). Advancement and development of the module for children with disabilities schema, and module for family housing. Concept design and development of SWIS platform (Social Welfare Integration Service) Development of Platform for Social Services (5 Case Management Modules) Integration for all systems (pension system, social system, systems for midwives, system for children allowances, etc.) Capacity building of end-users	Concept design and development of the Social Registry platform. Development of MT (Means Test) and PMT (Proxy Means Test) module. Development of Platform for Social Services (5 modules for case management). The integrated system for pensions and social allowances is fully functional. Capacity building of end users. Integration of SWIS and SAS with eKosovo and digitization of applications, decisions and appeals.	25,650 BRK 1,500,000 Dona. ----- Total: 1,525,650	MFLT Responsible Departments- DMITS.	World Bank
4.1.6 Digitalization of MFLT.	Further DWH, ELT Development for Financial Statements Application forms for economic recovery measures Development of the system for international agreements Development of a state aid system. System - Super Puna Assessment of the requirement of Central Harmonization Unit for digitalization of internal auditing	Further Advancement of DWH, ETL for Financial Statements. Transformation and restructuring of IT service management within MFPT and digital integration with the AIS interoperability platform. The internal audit function of DQH has been digitized.	Advanced DWH, ETL is finalized and fully functional	1,025,650 BRK	DMITS Minister cabinet-DMITS DMITS – Macro Department Project- KSV/019 Technical Assistance in the context of European Integration Minister cabinet-DMITS DMITS-CHU	Project- KSV/019 Technical Assistance in the context of European Integration Helvetas
4.1.7 Business Continuity and Disaster Recovery Plan.	Upgrading non IT components of the primary data center	Developing Disaster Recovery Plan Developing Business Continuity Plan	Building Disaster Recovery Center	975,650 BRK	DMITS DMITS AIS	
4.1.8 Advancing infrastructure security and access control.	Development of Security Awareness Training	Implementation of the next generation internal network protection system. Develop a plan to identify/respond to cyber threats. Establishing an Information Security Department within the ICT Agency and employing adequate IS and Security officers.	Data loss prevention, centralized auditing trails and data classification platform	1,012,800 BRK 10,000 Dona. ----- Total: 1,022,800	DMITS	
4.1.9 Implementing ITSM Best Practices.	Assessment of Current IT Service Management status within MFLT Start of implementation of ITSM and ITIL best practices	Further implementation of ITSM and ITIL best practices	The ITSM and ITIL best practices implemented	175,650 BRK 100,000 Dona. ----- Total: 275,650	DMITS	
4.1.10 Develop professional competence for IT staff.	Develop a plan for professional training for IT Staff Training IT Staff for professional competences conduct	Staff training according to the professional training plan. The ICT Agency is being created by restructuring the entire IT staff through a unified enterprise architecture model with a business-oriented approach	Training of staff according to the professional training plan	25,000 BRK 375,000 Dona. 350,000 Gap ----- Total: 750,000	DMITS	GIZ
Specific Objective 4.2	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Strengthened transparency and comprehensiveness of budget reporting and scrutiny.	Transparency and comprehensiveness of budget reporting and scrutiny.			Overall SIGMA 2021 indicator is 4, with total points 25/32	Overall indicator is to reach highest value of 5 with total points (28-32)	
Activities	Milestones			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
4.2.1 Provision of quarterly reports on non-financial performance information and capital investment projects physical and financial execution.	Analysis and road-map completed.	Data on PIP physical execution is entered regularly by project managers Data is checked and quality assured by the MFLT Budget Department Provision of adequate regular training in the use of the PIP system	Reports are compiled and published on-line on the MFLT website and the Transparency Portal for the project where the cost is over 1 million euro	21,142 BRK	BD	Treasury

4.2.2 Provision monthly reports on central and local government levels using economic classification, with data on budget absorption, revenue, expenditure and capital projects.		Prepare and test for the monthly financial report for capital investments in accordance with the IMF Code of Good Practice in Fiscal Transparency	Monthly financial report for capital investments for central and local level published in the MFLT webpage in accordance with IMF Code of Good Practice in Fiscal Transparency	39,084 BRK	BD	Treasury, USAID
--	--	---	--	------------	----	-----------------

Specific Objective 4.3	Indicator(s) to measure objective fulfillment			Baseline	Target 2026	
Effective, efficient and proficient civil service to support PFM and wide government services.	• Institutional architecture in place to deliver qualitative and adequate PFM training programs.			No structured approach Available	Institutional architecture in place to deliver qualitative and adequate PFM training programs	
	• Number of officials trained in the PFM area.			No comprehensive data and reporting Available	Training of Civil service workforce to support PFM and wide government services increased and sustainable	
Activities	Milestone			Institutions		
	2022	2023	2024	Finance (Budget /Gap)	Leadership	Support
4.3.1 Carry out a feasibility study on establishing appropriate institutional human capacity building infrastructure for PFM.	Resources planned and committed for conducting feasibility study.	Feasibility study on establishing appropriate institutional infrastructure in PFM completed. Decision on selected option taken. Administrative and legal framework completed.	Institutional, administrative and human capacities planned and established/initiated.	1,336,648 Gap 42,000 BRK ----- Total: 1,378,648	MFLT/DEIPC	EU PFM-GIZ
4.3.2 Development and delivering of PFM professional development Programs/Courses.			PFM professional development Programs/Courses developed and delivered	536,900 Gap	MFLT/DEIPC	EU PFM-GIZ
4.3.3 Establish and deliver PFM professional development courses on a single on-line platform.			PFM professional development courses on a single on-line platform delivered	10,000 BRK	MFLT/DEIPC	EU PFM-GIZ