



**National Report by the Republic of Armenia on the Implementation of the
Vienna Programme of Action for Landlocked Developing Countries 2014-
2024**

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National Report on the Implementation of the Vienna Programme of Action for Landlocked Developing Countries 2014-2024

Introduction

Armenia is a landlocked, mountainous, middle-income country in the Southern Caucasus, neighboring with Georgia in the North, Iran in the South, Turkiye and Azerbaijan in the West and East respectively.

In addition to the natural geographical constraints, Armenia's access to the sea and accessibility of the transit communication routes is restricted, thus significantly increasing the costs of imports and exports and negatively impacting its sustainable development.

Moreover, the COVID-19 pandemic and its socio-economic consequences have further exacerbated the challenges caused by structural constraints for Armenia.

Despite these challenges, the Government of Armenia remains determined to continue its path of implementing ambitious reforms aimed at overcoming structural challenges, addressing vulnerabilities and ensuring an enabling environment for the human capital development and realization of their fundamental human rights.

In this regard, Armenia attaches special importance to the implementation of the Vienna Programme of Action (VPoA), as an ample tool to promote connectivity and cooperation on regional and international level in an inclusive and non-discriminatory manner.

As a landlocked country with the borders from the East and West in land blockade since the last three decades, Armenia is vitally interested in opening all regional communications and promoting connectivity in line with the norms of the international law and with full respect of the state sovereignty.

Armenia is a long-standing advocate of promoting inclusive and equitable regional and cross-border connectivity. Removal of the political barriers for the free movement of people, goods and services, in particular in terms of realization of the economic and social rights and the right to development of all peoples is a prerequisite for the promotion of LLDCs' integration into global markets.

Following the adoption of the VPoA, the Republic of Armenia has elaborated the National Action Plan on its implementation in 2015 - a comprehensive set of actions

and measures, with strict timetable for implementation, aimed at integrating the six priority targets of the Action Plan into the national policies and strategies and, thus, contributing to the implementation of the VPoA at the national and regional levels. The COVID-19 pandemic, as well as renewed challenges caused by the fragile global economic situation and geopolitical uncertainties, stressed the importance of revisiting some aspects of the Government's trade and transport policies to align them with the pressing needs and challenges of the country. With this, in 2021, the Government of Armenia has embarked on the reform of its National Action Plan for the implementation of the VPoA.

In implementing the VPoA priorities, the United Nations Office of the High Representative for Least developed states, landlocked developing states and Small island developing states (UNOHRLLS) is the main international partner of the Government of Armenia. On national level, the cooperation with the UNOHRLLS is implemented through the Permanent Mission of Armenia in the United Nations, as well as the National focal point for the implementation of VPoA. With a view of strengthening the capacities of the UNOHRLLS in keeping the LLDC priorities high across the UN agenda, the Government of Armenia has decided to voluntarily contribute five thousand US dollars to the UNOHRLLS Trust Fund in 2022. In the meantime, more proactive role of Resident coordinators in assisting the LLDCs National Governments in addressing their challenges caused by landlockedness is crucial.

Armenia is an active and responsible member of the Groups of LLDCs, actively and constructively engaging in the discussions on developing the common agenda of LLDCs. Currently, as a Bureau member of the Group of LLDCs, Armenia is actively participating in the works and discussions on advancing and the common priorities of LLDCs in the framework of the UN and other international organizations, aimed at addressing the challenges caused by LLDCs' systemic vulnerabilities and structural constraints.

This report has been prepared by the Ministry of Foreign Affairs, in close collaboration with relevant Armenian line ministries. It aims to showcase the existing challenges and the steps implemented by the Government of Armenia for the implementation of six priority areas of the Vienna Programme of Action for Landlocked countries 2014-2024.

Mainstreaming of the VPoA into the national development planning process and coherence with the 2030 Agenda and other global processes

Priority Area 1: Fundamental transit policy issues

The relevant legislative provisions regarding customs transit are defined by the Customs Code of the Eurasian Economic Union and the Law of the Republic of Armenia "On Customs Regulation".

The provisions related to ensuring the fulfillment of duties and taxes within the customs procedure "Customs Transit" are defined by Articles 146 and 147 of the Customs Code of the Eurasian Economic Union.

At the same time, by the Decree of the President of the Republic of Armenia dated 03.11.2022, the agreement on the specifics of applying the enforcement of the obligation to pay customs duties, taxes, special, anti-dumping, countervailing duties during the transportation of goods (transportation) in accordance with the "Customs transit" customs procedure, signed in Moscow on April 19, 2022, was approved, which provides for simplifications in the provision of enforcement of obligations for transportation carried out in a certain period of time.

In order to improve the customs transit, works were carried out aimed at reforming the customs system, modernizing existing infrastructures, and building new infrastructures. In particular:

a) customs administration has been simplified, the representation of state bodies at the state border crossing points has been reduced, thus excluding the repetition of border control operations carried out by different bodies, authorization documents are provided electronically, thus leading to the simplification of the measures aimed at maintaining the prohibitions and restrictions of goods transported across the border of Armenia and reducing the time spent on it,

b) the preliminary declaration system has been implemented, as a result of which the period of release of goods is reduced, which before the introduction of the system was about 64 hours on average, and after the introduction of the system - 2-3 hours on average,

c) the system of X-ray control risks at state border crossing points has been improved, which leads to a reduction in queues, speeding up the border crossing process,

- d) the procedure for refunding overpaid customs fees has been simplified: the terms for refunding fees used to be 15-20 days, and after the changes - 3-5 days on average,
- e) a group of information on foreign economic activity is published on the official website of the State Revenue Committee, thus significantly saving time and financial resources of economic entities, reducing possible additional obstacles and unnecessary actions:

Priority Area 2: Infrastructure development and maintenance

Energy

The energy sector development strategy programme to 2040 of the Republic of Armenia was adopted by the Government of Armenia in 2021. The document sets the following principles as prerequisite for the Energy Sector Development:

- Free, competitive and non-discriminatory energy sector,
- Inclusive and diversified, energy independence at the possibly highest level,
- Clean and energy efficient: sustainably developing,
- Of regional significance,
- Reliable and safe,
- Digitized and innovated, science-based, high technological,
- Foreseeable and transparent,
- Accessible and fair to everyone, sufficiently available to the vulnerable (LTE Advanced) groups, as well as attractive to investors.

This vision is a basis for making all energy-related decisions, building relationships with neighboring countries regarding the energy sector, integrating into more global electricity markets and for further developing relationships with key partners.

The main priorities for development of green energy that will have significant impact on long-term, deep decarbonization strategies are:

- Maximum use of renewable energy potential (the construction of solar PV power plants will prevail over the other types considering the available domestic resources and development tendencies of this technology throughout

the world; among obstacles are the limitations of the system reliability and safety indicators);

- Possible realization of energy-efficiency potential (all sectors of the economy have great potential in the EE including transport, industry, multi-apartment buildings, public sector budgeting, fuel system, etc. New culture of EE-institutional reforms, promotion of investments in RE sources, environmental regulation);
- Availability of the nuclear power plant (that will allow to ensure energy safety and security, reach the lowest level of greenhouse gas (GHG) emissions);
- Gradual liberalization of the electricity market and development of regional cooperation (North-South Energy Interconnection - construction of Armenia-Iran and Armenia-Georgia 400 kV transmission lines and infrastructures that will have a decisive role in terms of having power system of regional significance).

In the structure of electricity production in Armenia, 30-35% share is hydropower, including small hydropower plants with a capacity of up to 30 MW, the share of atomic energy is 35-40%, and the remaining 30% is for the production of thermal power plants.

The maximum use of renewable energy potential, considering it as part of the least cost energy development plan, is one of the key priorities of energy sector development.

Considering the potential of solar energy, the Government aims to increase the share of solar energy production to at least 15% or 1.8 billion kWh by 2030. For this purpose, it is necessary to build about 1000 MW of solar plants, including autonomous ones.

Currently, 36 solar power plants with an installed capacity of up to 5 MW with a total installed capacity of around 97.766 MW are producing electricity, and 27 solar power plants with an installed capacity of up to 5 MW are under construction with a total installed capacity of around 117.82 MW. Electricity is produced by 188 small hydropower plants with a total installed capacity of 389.3 MW. 23 small HPPs are under construction with a total capacity of 78.98 MW.

The potential of wind energy is being studied and evaluated, with the results of which tender packages will be prepared for the purpose of building wind farms of small and systemic significance up to 500 MW.

In recent years, considerable work has been done in the energy efficiency and energy saving sector, which is also a priority for the Government of the Republic of Armenia as a means of improving the energy security of the country, improving economic competitiveness and minimizing the negative impact on the environment.

In 2021 the program "Building Armenia's National Transparency Framework under the Framework Convention on Climate Change and the Paris Agreement" was approved by the Government through the Action Plan for the years of 2021-2026. The purpose of the Program is the creation of institutional and technical capacities for transparency in the implementation of the Paris Agreement based on its general conditions, procedures and guidelines.

Program on "Energy Saving and Renewable Energy of the Republic of Armenia for 2022-2030" was adopted by the Government on 24 March 2022.

A study of climate change adaptation as well as natural risks is being carried out within the framework of the "Road Department" Foundation's Vital Road Network Improvement Program. At the request of partner international financial organizations, solutions are also provided to the problems caused by the impact of climate change on road construction works.

In view of regional cooperation, it is foreseen to foster and promote cross-border trading, and, for this, the project of the Caucasus Transmission Network will be reactivated and the construction of Armenia-Georgia transmission line and the construction of Iran-Armenia transmission line will be followed-up.

Also, new provisions in Energy Law of Armenia were adopted, which will allow a partial liberalization of the electricity market (free trade). On February 1, 2021, the wholesale electricity market of Armenia was tested without the application of financial responsibility for its participants. A transition to a new model of the electricity wholesale market (EWM) is commenced from February 1, 2022. Currently there are 287 registered participants at the electricity market.

The renewable energy, energy efficiency and energy saving are the important directions of development of the energy sector of Armenia. Adhering to the UN's 2030 Agenda for Sustainable Development, particularly Goal 7 "Access to affordable, clean, reliable, sustainable and modern energy" and the Paris Agreement,

Armenia is making continuous efforts to create an attractive investment environment and legislative framework for the economic development of the potential of renewable energy. These will ensure effective and responsible implementation, as well as large-scale implementation of energy efficiency and energy saving measures.

Transport

With the support of its international partners Armenia has designed a series of initiatives aimed at improving soft and hard trade and transport infrastructure and to align them with international integration initiatives. One such example is the modernization of existing border control points to improve their operational, technical and environmental conditions in order to meet modern safety and security requirements and facilitate efficient border crossing process.

Improving the quality of infrastructure is an important prerequisite for transport logistics. The road network, which is the main and important component of the transport network of Armenia, plays significant role in increasing the transit potential of Armenia. In recognition of the need for better regional and international connectivity, significant efforts are being carried out to completely restore and upgrade the road network in the Republic.

In this regard, the construction of the North-South highway – a high-priority strategic programme for Armenia is a vivid example. This project will not only ensure easier traffic from the North to the South of Armenia, but will also significantly contribute to connectivity between the Persian Gulf and the Black Sea, thus becoming an important transit hub at the intersection of West Asia and East Europe.

In the modern market economy, the improvement of the quality and safety of transportation services and the regular improvement of transportation is an imperative. In this regard, in recent years, the Republic of Armenia has been carrying out a large amount of work in the direction of interstate cooperation, legislative reforms, application of new logistic methods of transport infrastructure management, and introduction of information systems in the field of transportation.

The introduction of unified information exchange systems is one of the key measures for facilitation of the implementation of interstate cargo transportation. Within the framework of the "European Union for Armenia's Digital Agenda" program, the "One Stop, One Window" foreign trade platform was implemented at the border checkpoints of the Republic of Armenia.

Joint measures arising from the Declaration on Digital Freight Transport Data Exchange and large-scale digitization projects implemented in the field of freight transport in Armenia expand the geography of cooperation, as well as facilitate the process of Armenia's integration in international freight transport.

Work is underway to introduce a new electronic road toll collection system in the Republic of Armenia in order to reduce the time of cargo transportation through information systems, make the necessary payments online, and reduce administrative work.

An important prerequisite for the development of international transport cooperation is the development of digital transport corridors, which will facilitate the process of information exchange at all stages of transportation - air, road, rail, and sea.

Within the framework of the Eurasian Economic Union, the "Showcase" of national services of the ecosystem of digital transport corridors is being created in the Republic of Armenia, which will make it possible to publish information about digital services, provide users with access to information about electronic services, and contribute to the digitalization of transport and logistics services.

The extensive road construction works, digitization of the transport sector, interstate cooperation, legislative reforms, which are in process in the Republic of Armenia, are an important prerequisite for the development of international economic ties and the enhancement of the country's regional role, regardless of geopolitical challenges.

ICT

Advancing digital technologies, amplifying the growth of start-ups, fostering innovation and creative education should define the nature and the direction of our development agenda. Investing in young people's talent, skills and entrepreneurship, developing high-tech industry and innovation ecosystem are amongst the strategic priorities of the Government of Armenia, with a focus on the impact of "smart" development. In this respect, Armenia emphasizes the need of utilizing the potential of ICTs and digital technologies as important drivers and accelerators of development of LLDCs.

According to the Public Services Regulatory Commission of the Armenia, 100 percent of the settlements in the Republic have a 2G, 3G and 4G+ (LTE Advanced) mobile coverage.

Broadband Internet wired technology services are available in 628 (62.7%) settlements of the Republic, including broadband fiber optic networks based on FTTx technology are available in 565 (56.5%) settlements, which cover about 96.5% of the population of Armenia.

At the end of 2021, the number of public mobile communication subscriptions was 3,599,278, which increased by 3% compared to the previous year, and the number of Internet access service subscribers (including mobile) was 3,309,685, which increased by 7% compared to the previous year.

The volumes of general broadband Internet access services (including mobile Internet) have increased, the number of subscribers of which as of the end of 2021 was 3,140,925, of which the number of mobile broadband Internet subscribers was 2,674,304, and the number of fixed broadband Internet access subscribers was 466,621:

Moreover, the number of total broadband Internet access and mobile broadband Internet subscribers increased by 8% compared to the end of 2020, and the number of fixed broadband Internet access subscribers increased by 8.4%.

A draft Strategy on ensuring the access to broadband internet connection in the territory of the Republic of Armenia and the timetable for the implementation of measures arising from the 2022-2024 strategy" has been developed by the Ministry of High-Tech Industry of Armenia.

Within the framework of the implementation of the functions assigned to the Ministry of High-Tech Industry of the Republic of Armenia by the Law "On Electronic Communications", in cooperation with the Regulatory Commission of the Public Services of the Republic of Armenia, work was carried out in the direction of expanding the geography of the broadband Internet communication network in the territory of the Republic of Armenia, as well as the investments of new technologies and services.

Particularly, according to the relevant order of the Minister of High-Tech Industry of Armenia, in the frequency distribution table of Armenia some changes were made, according to which: 703-733 MHz, 758-788 MHz, 811-821 MHz, 852-862 MHz, 1765-1785 MHz and 1860-1880 MHz radio frequencies domains are reserved for commercial distribution.

Through tenders the specified radio frequency ranges conditions will be created for the introduction of the latest broadband technologies, including 5G technology.

Priority Area 3: International trade and trade facilitation

In accordance with the Decision of the Government № 1363-A, dated August 18, 2021, measures will be taken to expand tax revenues for the purpose of increasing the efficiency and addressability of public resources management and spending those resources on projects of public benefit and national importance, as well as ensuring fiscal stability. In addition, the Decision stipulates that the tax administration will continuously improve, the shadow sector of the economy will be significantly reduced, thus providing equal conditions for all participants of economic life.

In the framework of the implementation of these goals, changes in the tax policy are being carried out by the Government of Armenia aimed at increasing tax revenues. In this regard, particularly the following activities have been carried out regarding the tax policy:

1. VAT calculation and payment procedures have been introduced in cases of providing services electronically. In addition, regulations have been established for the calculation of VAT in case of sales of goods by individuals within the territory of Armenia in the framework of e-commerce from EEU member states,
2. the formula for calculating the royalty rate for metallic minerals was revised and an additional component calculated in conditions of profitability above 15 percent was added to the formula, as a result of which additional royalty will be calculated at the rate of 15 percent,
3. the micro-entrepreneurship taxation system was revised (in particular, instead of the obligation to pay income tax in the amount of five thousand drams per month for hired workers involved in micro-entrepreneurship, an obligation to pay income tax at the rate of 20 percent in the generally established manner has been stipulated, as well as the possibilities of reducing the gross income for the purpose of taxation with profit tax on the basis of settlement documents issued by micro-enterprise entities were limited).

Priority Area 4: Regional integration and cooperation

Armenia attaches particular importance to the multilateral cooperation at all levels. When it comes to the development of multimodal transport infrastructure projects, active participation in regional initiatives, aimed at enhancing regional cooperation and integration is at the top of priorities for the Government.

The membership of the Republic of Armenia in various international structures, the ratification of multilateral agreements, the signing of bilateral international agreements significantly contribute to the development of regional cooperation.

Armenia is a founding member of the Black Sea Economic Cooperation Organization (BSEC). In the framework of the Organization Armenia participates in the works for the Black Sea Ring Highway project, which is a 7.000 km long, extending transport route around the Black Sea, in the BSEC Member States. The project, if implemented, will significantly contribute to the development of multimodal transport infrastructure in the region, with a potential to establish interconnections with major regional transport networks, such as Trans-European, Euro-Asian Transport Networks etc.

Armenia is a member to TRACECA (Europe-Caucasus-Asia International Transport Corridor) since 1993. The main objective of the Basic Multilateral Agreement on International Transport for Development of the Europe-Caucasus-Asia Corridor (MLA) is to ensure economic cooperation, trade and transport development between all the TRACECA member countries, as well as in the regions of Europe, the Black Sea, the Caucasus, the Caspian Sea and Asia.

Armenia participates in all major events in the framework of the TRACECA Programme, supports regional projects in order to ensure further cooperation and economic growth through road and railway communication development in the region and involved in numerous technical assistance projects.

One of the most important regional initiatives of the road sector is the large infrastructure project "North-South Road Corridor Investment Program", which aims to connect the south of the country with the north through the Meghri-Yerevan-Bavra highway with a total length of 560 km of international high standard, shortening the road section by about 90 km.

Relevant agreements were signed with the Asian Development Bank, European Investment Bank and the Eurasian Stabilization and Development Fund for the implementation of the project. The project is implemented with a multi-tranche

financing option. Tranche 3 and Tranche 4 are currently in progress. Tranche 4 includes the implementation of the Sisian - Kajaran road construction project, within the framework of which it is planned to build a new road section with a total length of about 60 km of II technical grade, including bridges with a total length of 4.7 km and tunnels with a total length of 12.5 km (the longest is the Bargushat tunnel, the length of which is about 8.6 km).

Cooperation within the framework of the Eastern Partnership plays an important role in the political, socio-economic and institutional development of the Republic of Armenia, the implementation of reforms aimed at strengthening the market economy, and the development of international cooperation. The Republic of Armenia-EU Comprehensive and Enhanced Partnership Agreement signed on November 24, 2017 is of great importance for the Republic of Armenia. It is particularly a stimulus for the development of stable transport systems in Armenia, ensuring efficient, safe and secure transport work, improving infrastructure-related policies, promoting "smart" transport systems, and developing transport communication channels.

In terms of increasing the level of road safety, development and integration of interstate road transport, the measures provided by the road map of the Comprehensive and Enhanced Partnership Agreement are an important prerequisite, which will contribute to the harmonization of the legislation of the Republic of Armenia with the requirements of the EU legislation and international multilateral agreements.

In 2021-2022, the Republic of Armenia ratified "The Agreements on the International Carriage of Dangerous Goods by Road (ADR)" and "The Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage (ATP)".

The development of interstate cargo transportation is the creation and improvement of transport logistics services is another crucial dimension of the work of the Government of Armenia. Intermodal facilities such as dry ports play a very important role in the efficient operation of economic and transit routes and in facilitating international trade and transport business processes in landlocked countries. In the Republic of Armenia, work is underway to create a dry port in Gyumri, which will include the Akhuryan logistics center, Gyumri airport and the railway station. In order to develop multimodal cargo transportation, increase the transit role of the Republic of Armenia, and facilitate interstate cargo transportation

from Europe to Asia, work is underway to sign a multilateral agreement "on the establishment of Persian Gulf-Black Sea Transport Corridor", whose member countries are the Islamic Republic of Iran, the Republic of Armenia, Georgia, Republic of Bulgaria, Hellenic Republic.

Priority Area 5: Structural economic transformation

In 2022, Armenia's economy experienced an impressive growth of nearly 13%, and the country ranked 58 out of 177 countries in world economic freedom. A major contributor to this growth has been the significant influx of immigrants, representing a 2.2% annual increase in the population and providing a boost to the external, macroeconomic, and fiscal performance of the country. This positive impact has been recognized by the international rating agency Fitch, which has revised its outlook on Armenia's long-term foreign currency issuer default rating (IDR) from stable to positive. The country's dynamic business environment has also proven attractive to entrepreneurs, as evidenced by the Agency for State Register of Legal Entities reporting the registration of 950 new businesses and 1800 individual entrepreneurship in the first few months of 2022 alone.

Structural economic transformation in Armenia has been a critical priority for policymakers in recent years as the country looks to diversify its economy and reduce its dependence on traditional industries. According to the World Bank (2021), Armenia has made significant progress in improving its business climate, with reforms aimed at increasing the ease of doing business and promoting entrepreneurship.

In the area of intellectual property, the government of Armenia has taken many steps to strengthen the protection of intellectual property rights. In 2019, the country adopted a new Law on Copyright and Related Rights, which protects literary and artistic works, including software and databases. Additionally, the government has established several institutions and initiatives to promote innovation and intellectual property commercialization.

The digital transformation of SMEs is another vital policy priority in Armenia as the country looks to modernize its economy and improve its competitiveness in the global marketplace. The government has launched several initiatives to promote the adoption of digital technologies among SMEs, including establishing a national e-commerce platform and developing a national strategy for digital transformation.

The Armenian government recognizes the importance of supporting SMEs in their efforts to adopt digital technologies and has made significant investments in developing a robust digital infrastructure. This includes the rollout of high-speed broadband internet access across the country and the creation of many technology hubs and innovation centers to support the growth of the tech sector.

Despite these efforts, there is still much work to realize the potential of digital transformation in Armenia fully. According to a report by the International Telecommunication Union (2021), the country still faces significant challenges in developing its digital skills, improving access to digital technologies, and creating an enabling environment for innovation and entrepreneurship. Nonetheless, the government remains committed to developing policies that support SMEs' digital transformation and positioning Armenia as a leader in the digital economy.

For improvement of productivity, efficiency and competitiveness in the agriculture, a number of state assistance programs are implemented by the coordination of the Ministry of Economy, which mainly aimed at agricultural intensification, increasing productivity, targeted and efficient use of land and water resources, increasing the level of food security, development of animal husbandry and horticulture sectors, introduction of modern technologies, promotion of agricultural products export, etc.

Within the framework of improving the business environment in the Republic of Armenia, measures have been implemented and are being implemented on a continuous basis in the following directions:

- Significant reduction of contacts of enterprises with state administration bodies through the implementation of electronic information exchange systems,
- Reduction and simplification of state regulations related to business,
- Periodic study of the best practice of regulation of the business environment and its implementation in Armenia, taking into account the local characteristics.

The Republic of Armenia also declares and implements an "open door" policy. The main legal act regulating the investment sphere in Armenia is the Law "On Foreign Investments" adopted in 1994, as well as other provisions of the legal acts regulating the economic sphere, related to investments, which are also in line with the Vienna Programme of Action, that is "to promote the attraction of more diversified foreign direct investment by creating a favorable environment with the aim of increasing value addition volumes, productive capacity, transit transportation infrastructure and solving the issue of lack of connections connecting landlocked countries within the

framework of the regional network". At the same time, free economic zones have been created in Armenia in order to attract direct foreign investments, increase export volumes through the introduction of advanced technologies, create new jobs and ensure sustainable development, and there is an appropriate legal framework to ensure their operation.

Armenia is also undertaking a project of developing a Dry-Port Industrial Park as a Special Economic Zone further enhancing its connectivity regionally and internationally by collocating the major modes of transport (Air, Road & Rail) with easy and cost-effective access to the Black Sea and on to the Western hemisphere markets. Furthermore, through advanced handling processes the project aims to incentivize exports by targeting lower transport costs, improve customs procedures and faster border crossing processes.

Priority Area 6: Means of implementation

Works were carried out to increase the level of voluntary discipline of taxpayers, to improve the capabilities and tools of the State Revenue Committee in the fight against tax frauds, the purpose of which is the effective collection of revenues. In particular:

a) works were carried out aimed at providing digital services to taxpayers, convenient tools were introduced for taxpayers to fulfill their tax obligations, as a result, facilitating the administrative burden of the latter, simplifying administrative processes, which in turn contributes to increasing the satisfaction of taxpayers, promotes voluntary discipline. Among the mentioned tools the following are notable:

- ✓ "web" version of the e-invoicing system, the system with a new architecture,
- ✓ the system of electronic exchange of all documents related to tax inspections and studies,
- ✓ the system of non-resident VAT payers (e-vat),

b) the discipline risk management system was introduced, analytical capabilities and tools were strengthened, within which the most risky areas of economic activity or groups of taxpayers are selected and targeted measures aimed at improving the tax (customs) discipline of these groups are carried out,

c) the system of tax audits based on risk criteria was revised, increasing the accuracy of the selection of taxpayers for analysis, forecasting and audit purposes,

d) changes in the tax legislation expanded the control tools, in particular, the transfer pricing audit was defined as a separate type of tax audit, as well as the case study as a control type.