



ALLIANCE OF SMALL AND MEDIUM-SIZED
ENTERPRISES FROM MOLDOVA (AIM)

**MONITORING AND EVALUATION REPORT ON
PARTICIPATION IN THE DECISION-MAKING PROCESS**

Chisinau

August 2023

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The Report was elaborated with the support of the Center for International Private Enterprise and the Swiss Government as part of the "Optim Project - Opportunities through Technology and Innovation in Moldova", implemented by HELVETAS Swiss Intercooperation.

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ACRONYMS

AIM	Alliance of Small and Medium Enterprises of Moldova
AP	Public authority or AIM's action plan, as applicable and context
APRC	Annual percentage rate of charge
B2B	Business to business
EU	European Union
GD	Government Decision
LLC	Limited Liability Company
LTIP	Long-term incentive plan
MP	Member of Parliament
OG	Official Gazette
PACC	National Program for Promoting Entrepreneurship and Increasing Competitiveness for 2023-2027
RIA	Regulatory impact analysis
SME	Small and medium-sized enterprises
VAT	Value added tax

1. EXECUTIVE SUMMARY

AIM represents the interests of its members who are micro, small and medium-sized enterprises and its mission is to contribute to the development of a favorable business environment for the development of all SMEs in the Republic of Moldova. One of the main activities of AIM is to represent its members in dialog platforms between the business environment and public authorities, aimed at improving public policies in the area of entrepreneurship. To this end, AIM prepares a legislative agenda derived from its activity objectives, which are set each year and are aligned with the needs of the business environment, SMEs and its members.

This list of initiatives and proposals mainly refers to the elaboration of new regulatory acts or the modification of existing ones, with a strong emphasis on the activity of small and medium entrepreneurs. It should be noted that AIM has implemented its Legislative Agenda and initiatives derived from it between 2022 and 2023, based on the objective of contributing to the development of a sustainable and stable economic environment in the country.

The basic purpose of monitoring the initiatives included in the Legislative Agenda of AIM is the quantitative and qualitative assessment of the activities concerned, as well as their degree of fulfillment. This report is an annual document, prepared for the period from August 1, 2022 to August 1, 2023.

During the reporting period, 20 legislative initiatives, including draft laws, amendments and/or draft GDs, were closely monitored and evaluated, as well as other proposals for supplementing and adjusting policy documents and action plans prepared by public authorities involved in the regulation of business activity in the country. In some cases, the proposals of the AIM branch out into the necessity of drafting several normative legal acts, or in some cases, the adopted normative legal acts include the proposals of the AIM only in part. These factors were taken into account when determining the degree of implementation of the actions, as well as the impact achieved after the adoption of a particular normative act.

The results of monitoring and evaluation show an active and effective engagement of AIM between August 2022 and August 2023. It should be noted that some initiatives launched by AIM were joined and supported by other associations and stakeholders, and the final documents represented a collective contribution or joint cooperation, as appropriate. Thus, about 1% of the legislative acts adopted by the Parliament in the fall session of 2022 were projects initiated, promoted or to which AIM contributed, and in the spring session of 2023, this figure doubled to about 2% (Charts 5 and 6).

The evaluation found a high rate of approach to the actions and activities included in AIM's legislative agenda. In addition to the agenda set at the beginning of the period under review, AIM actively engaged in additional activities and initiatives that were assigned to the "Other" pillar during the period under review (paragraph 6.7. and Table 4). The overall compliance rate for actions in its Legislative Agenda is 85% (Chart 1), which is a significant indicator.

Regarding the degree of implementation of the actions included in the Legislative Agenda, we find that of all AIM actions and initiatives, 15% have the status - Achieved, 20% have the status - Partially achieved, 40% are Ongoing, 5% of initiatives are at the stage of process initiation and 20% have the status - Unfulfilled (Chart 2).

The impact of normative acts adopted or approved as a result of AIM's involvement in the public consultation and decision-making process is particularly important for SMEs. Of all the acts that have been fully implemented, 33% have a major impact on the activity of SMEs, 50% have a medium positive impact, and only 17% have a minor positive impact. (Chart 3)

Following the assessment carried out, we have an overview with specific indicators related to each pillar of the AIM Legislative Agenda. Thus, Pillar 1 of the AIM Legislative Agenda is

achieved at a level of 53%, Pillar 2 - 80%, Pillar 3 - 93%, Pillar 4 - 80% and Pillar 5 - 31%. It should be noted that the actions not initially included in the Legislative Agenda, but which came to the attention of AIM during the monitoring period, are included in the category "Other" (Table 4). Their achievement level was 56%.

2. INTRODUCTION

AIM is a non-governmental, non-profit and non-political organization that pursues the public interest and operates in accordance with the applicable legislation of the Republic of Moldova. AIM is a membership-based employers' association and was established in March 2016.

The mission of the association is to contribute to the development of a favorable business environment for the organic growth of small and medium-sized enterprises operating in the Republic of Moldova. One of the core activities of AIM is to represent its members in dialog platforms between the business environment and public authorities in order to improve public policies in the area of entrepreneurship, with a focus on micro and small enterprises and their regulatory framework. Currently, AIM has more than 150 members, companies with foreign and local investments, whose interests are represented in various forums and working groups at the national level, including in the field of participation and decision-making by central public authorities.

AIM implements its **Legislative Agenda**¹, based on two main factors. First, is the need to solve the problems in the SME sector and find solutions to eliminate them, but also the need to approach initiatives coming from its members. Second, is the need to fulfill its statutory provisions and carry out a proper monitoring of the period 2022 and 2023. The concerned initiatives are focused on the development of a sustainable and stable economic environment in the country. Some of its initiatives have been transferred to the current agenda of the previous year², as they are still relevant. For more details on what the AIM Legislative Agenda represents, see section 5.4. of this Report.

AIM's activities to participate in decision-making process are in line with the applicable legal framework (paragraph 5.2.). The initiatives for reforms and proposals to adjust the legal framework developed and proposed by AIM within the decision-making process are carried out with the financial support of its partners and donors: **Center for International Private Enterprises**³ (CIPE) and **OPTIM Project of the Swiss Agency for Development and Cooperation**, implemented by Helvetas Swiss Intercooperation⁴.

At the same time, the monitoring of the mentioned activities as well as the assessment of the level of their implementation is not only a necessary measure within the overall mission of improving the quality of work processes and the economic environment in the Republic of Moldova, but also establishes the successes already achieved, while highlighting the areas where further efforts are needed.

The basic purpose of monitoring the activities included in the Legislative Agenda of AIM is the quantitative and qualitative assessment of the activities concerned and their degree of achievement. To this end, this **Report is prepared as an annual report covering the period from August 1, 2022 to August 1, 2023**. The report analyzes 20 legislative initiatives, including draft laws, amendments and/or draft GDs, related to the period under review, as well as proposals for the completion of policy documents or APs of public authorities that affect business activity. In some cases, the proposals branch out into the need to draft several normative acts, or in some cases, the adopted legislation only partially includes AIM proposals.

¹ <https://sme.md/aim-a-expediat-o-scrisoare-guvernului/>

² <https://sme.md/agenda-legislativa/>

³ <https://www.cipe.org/blog/2011/06/16/the-voice-of-businesswomen-in-romania/>

⁴ <https://www.optimproject.md/ro>

These factors have been taken into account when determining the degree of implementation of the actions, but also the impact produced after their adoption.

3. METHODOLOGICAL ASPECTS

3.1. CONTEXT

Between 2022 and 2023, AIM, as a representative of the business environment of the Republic of Moldova, in particular SMEs, implemented a series of activities that are part of its legislative agenda⁵. The activities included in AIM's agenda are aimed at defending the interests and supporting the initiatives for positive public policy changes coming from its members. The initiatives focus on the development of a sustainable and stable economic environment in the country.

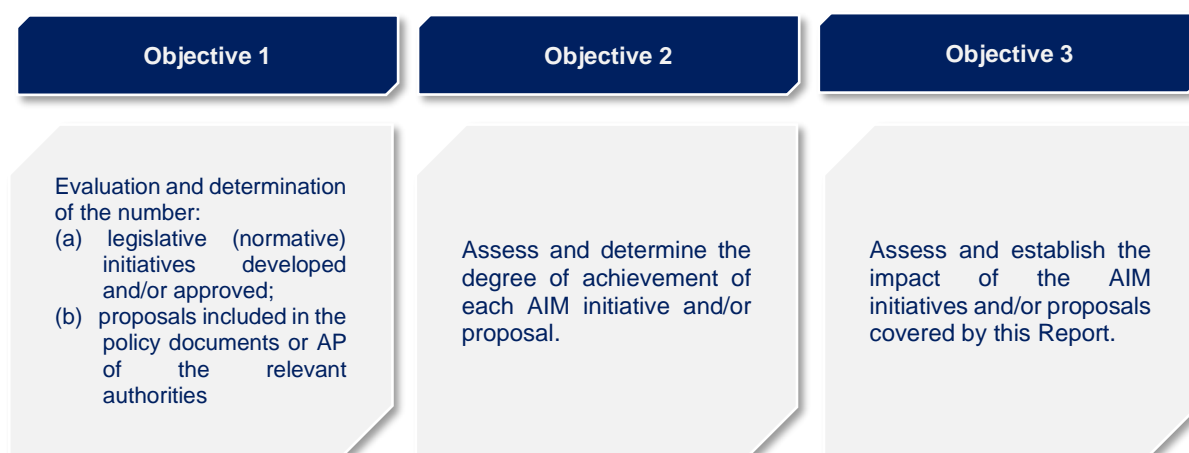
At the end of the 12-month period, AIM aims to monitor the initiatives included in its agenda, evaluating and highlighting the actions carried out, the level of achievement, but also the issues that require further efforts for successful implementation.

An applicable evaluation methodology is developed for the purpose of monitoring and evaluating the implementation results of each action included in the Legislative Agenda. The results, findings and recommendations contained in this report are based on the application of this methodology.

3.2. OBJECTIVES OF EVALUATION AND MONITORING

The overall objective of the Report is to evaluate the implementation of the AIM Legislative Agenda.

The specific objectives of the evaluation of the implementation of the AIM Legislative Agenda are:



3.3. APPLIED METHODS AND TECHNIQUES

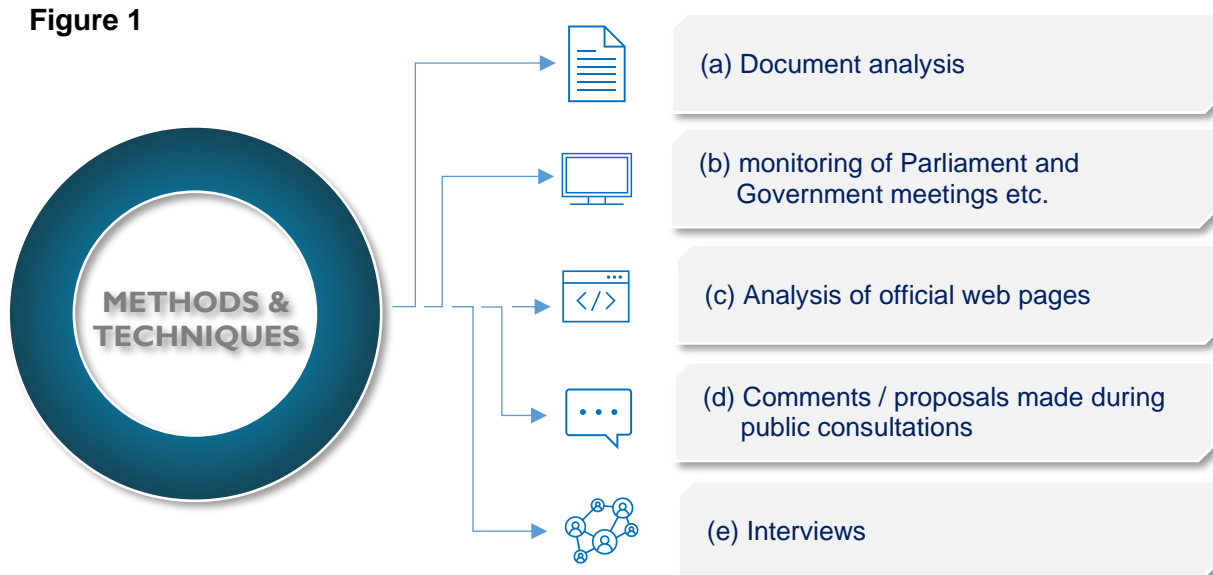
A complex methodological approach, including the application of various research methods and techniques, was proposed to achieve the objectives outlined in the Report (**Figure 1**). The study involved a combination of qualitative and quantitative methods, which included:

- document analysis.
- monitoring of Parliament and Government meetings and plenary sessions.
- monitoring of official websites and analyzing the information displayed, as well as monitoring the social media of the monitored institutions and partners.
- comments / proposals made in the context of public consultations.

⁵ <https://sme.md/aim-a-expediat-o-scrisoare-guvernului/>

- (e) individual interviews with representatives of the working groups and communication platforms to which AIM belongs.

Figure 1



- (a) **Document analysis** was used to collect and systematize the information contained in the documents mentioned below, in order to establish the consistency between the strategic actions planned and included in the Legislative Agenda and their actual implementation.

The evaluator used the following documents/sources of information:

- (i) draft National Program for Promotion of Entrepreneurship and Competitiveness Growth 2023-2027 (PACC 2027).
- (ii) Report of the Secretariat of the Parliament on Transparency in Decision-Making in the Parliament of the Republic of Moldova for the year 2022⁶.
- (iii) The first half of the year report of the 2023 spring session of the Parliament⁷.
- (iv) Report on the activity of the Government 2022-2023⁸.
- (v) Report of the State Chancellery on ensuring transparency in the decision-making process by central public administration authorities⁹.
- (vi) Annual Report of the Economic Council to the Prime Minister of the Republic of Moldova for 2022¹⁰.
- (vii) Roadmap on reducing the regulatory burden for small and medium-sized enterprises for 2022¹¹.
- (viii) Roadmap for digitization of the economy and e-commerce – 2023¹².

- (b) **Monitoring the Parliament plenary session, meetings of the Government, etc.** where the initiatives proposed by AIM were discussed and adopted or approved, or where AIM had a direct involvement or contribution, was carried out by online tracking of the meetings held and by consulting the draft legislation that included initiatives related to the AIM proposals to be carried out in the reference year.

⁶ <https://www.parlament.md/LinkClick.aspx?fileticket=Xh6%2BYe%2FFJ9M%3D&tabid=109&language=ro-RO>

⁷ <https://multimedia.parlament.md/bilantul-sesiunii-de-primavara-2023-a-parlamentului-au-fost-adoptate-253-de-acte-normative/>

⁸ https://cancelaria.gov.md/sites/default/files/document/attachments/raport_gov_2022-2023_0.pdf

⁹ https://cancelaria.gov.md/sites/default/files/document/attachments/raport_transparenta_decizionala_2022_final_docx.pdf

¹⁰ <https://consecon.gov.md/wp-content/uploads/2023/04/Raport-Anual-al-Consiliului-Economic-pe-langa-Prim-ministrul-RM-2022.pdf>

¹¹ <https://consecon.gov.md/wp-content/uploads/2022/07/Foia-de-parcurs-masuri-IMM-28.04.2022-.pdf>

¹² https://consecon.gov.md/wp-content/uploads/2023/06/Roadmap-3.4_rom.pdf

- (c) **Monitoring and analysis of information on the official websites** of central public authorities such as the Parliament, the Government, the Presidential Administration, and others such as the Ministry of Economy, the Ministry of Finance, the State Tax Service, etc. The digital version of the MO was also analyzed in relation to the initiatives evaluated. In some cases, the social networks of authorities or organizations were also monitored to obtain additional information. These activities were carried out online.
- (d) **Comments from public consultations** were used to determine the consistency between the strategic actions planned and included in the Legislative Agenda and their actual implementation. This was done by analyzing the correspondence, the tables of divergences and the final versions of the legislative acts.
- (e) **Interviews** were carried out with representatives of the working groups and entities of which AIM is a member or participates as a member to ensure an accurate assessment of the activities carried out during the year 2022-2023, as well as an evaluation of the degree of implementation of the proposed actions. Thus, three interviews were conducted with representatives:
- (i) the Economic Council to the Prime Minister of the Republic of Moldova.
 - (ii) the Working Group of the State Commission for Regulation of Entrepreneurial Activity.
 - (iii) Alliance of Small and Medium Enterprises from Moldova.

3.4. APPRECIATION OF THE DEGREE OF ACHIEVEMENT OF OBJECTIVES

To assess the degree of achievement of the tasks assigned and actions performed, the evaluator operated with the following ratings and criteria as provided in **Table 1**:

Table 1

Cat.	Degree of achievement	Pointer	Description of actions
i	Achieved	100%	(i) Entered into force or (ii) Published in the Official Gazette
		95%	Promulgated by the President
		90%	Adopted / approved at final reading
ii	Partially achieved	85%	(i) Introduced under legislative procedure or (ii) adopted with partial consideration of what AIM proposed
		80%	Examined by the Government
		70%	In the phase of public consultations
iii	Ongoing	60%	Introduced into public policies documents
		50%	In examination by public authorities
		40%	Official requests sent out
iv	Process initiation stage	30%	Elaboration completed
		20%	Working group stage
		10%	(i) Study phase prior to preparation and/or (ii)consultation of the initiative with AIM members, or (iii)examination in AIM working groups
v	Unfulfilled	5%	Activities started but not carried out or which cannot be proven to be more advanced
		0%	Unstarted or failed tasks

The qualitative assessment was carried out only for the activities fully completed in 2022-2023 (cat. I Achieved ranging between 90-100%), which can be subject to an impact assessment.

In this context, AIM notes that the impact assessed at the time of drawing up this Report is an aspect that may involve indicators with a certain margin of deviation and requires measurable qualitative indicators that would allow such a clearer assessment. Such a more accurate

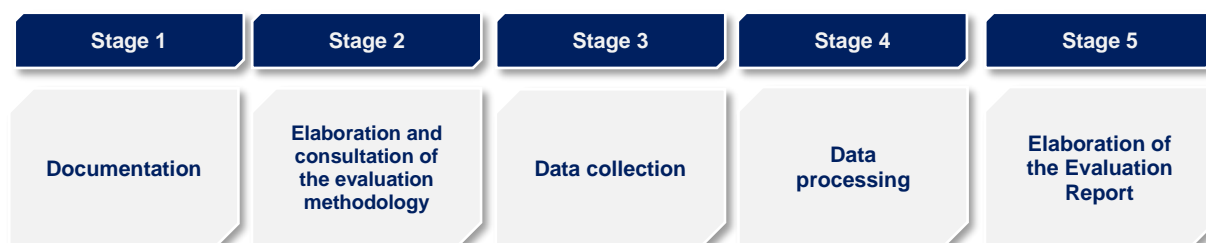
measurement is recommended to be carried out between 12 months and 24 months after the entry into force of the normative act. For the purpose of this Report, and for the impact assessment evaluator used the following indicators set out in **Table 2** below:

Table 2

Cat.	Impact	Meaning
i	Major Impact	There are significant positive changes that supported the achievement of the objective and produced significant changes on the achievement of the objective, improving the quality of activity of the business environment and / or the economic sector.
ii	Medium Impact	There are certain changes with effects, but which did not produce significant changes on the achievement of the objective, improving the quality of activity of the business environment and / or the economic sector.
iii	Low Impact	There is little impact and insignificant changes on achieving the objective, improving the quality of activity of the business environment and / or the economic sector.
iv	Lack of Impact	There is a lack of impact on achieving the objective, improving the quality of activity of the business environment and / or the economic sector.
v	No assessment possible	Lack of fully implemented activities or fully implemented activities whose impact can be assessed only after a certain period of time and which cannot be assessed at the moment; the assigned performance indicators are not measurable in such a way as to allow qualitative changes to be recorded.

3.5. EVALUATION PROCESS

The evaluation process of the initiatives and actions of AIM included in its Legislative Agenda consists of 5 stages, as follows:



- (a) **Documentation** – analysis of the context and situation in the assessed area, of the specific actions included in the AIM Legislative Agenda, as well as of the applicable and related regulatory framework.
- (b) **Elaboration and consultation of the evaluation methodology:**
 - (i) Development of the conceptual and methodological framework of the evaluation.
 - (ii) Development of research tools.
 - (iii) Conducting the (online) methodology consultation meeting with the AIM team.
- (c) **Data collection** – this stage involves organizing the data collection process (paragraph 3.3.) through:
 - (i) monitoring the meetings of the Parliament, the Government, etc.
 - (ii) analysis of the official pages of central authorities such as the Parliament, the Government, the Presidential Administration, but also others such as the Ministry of Economy, the Ministry of Finance, the State Fiscal Service, etc.
 - (iii) comments in public consultations were used to establish the consistency between the strategic actions planned and included in the Legislative Agenda and their actual implementation; and
 - (iv) interviews.

- (d) **Data processing** – during this stage a few operations were carried out with reference to the verification of the data collected by listening to the recordings and analyzing the notes from the group interviews and the results of the public consultations.
- (e) **Elaboration of the Evaluation Report** – analysis of data collected within the documentation process, preparation, and consultation of the Evaluation Report with the AIM team.

4. DECISION-MAKING PROCESS

4.1. INDICATORS USED IN 2022-2023 DECISION MAKING PROCESS

The definition of decision-making process for the purpose of this Report represents all steps concerning the legal procedures for drafting, public consultation, debates, and approval or voting of legislative initiatives by the Executive or Legislature, as the case may be, as well as the activities of other public authorities involved in the decision-making process.

We will begin this paragraph with the analysis of the decision-making process of the Legislative Authority taking into account its importance and its top position. Thus, regarding its activity, the Report of the Parliament Secretariat on transparency in the decision-making process within the Parliament of the Republic of Moldova for 2022¹³, as well as the press release of the Parliament Secretariat that takes stock of the spring session 2023 of the Parliament¹⁴, highlights that during 2022, MPs convened in 49 plenary sessions.

During the said period, the members of the Legislative Forum adopted 381 acts. Of these, 286 are laws and 95 are decisions (**Figure 2**). Also, in 2022, 307 legislative initiatives were adopted in the first reading.

In the spring session 2023, 253 normative acts were adopted in the plenary of Parliament, of which 171 laws and 82 decisions. During this period, MPs convened in 24 plenary sessions¹⁵.

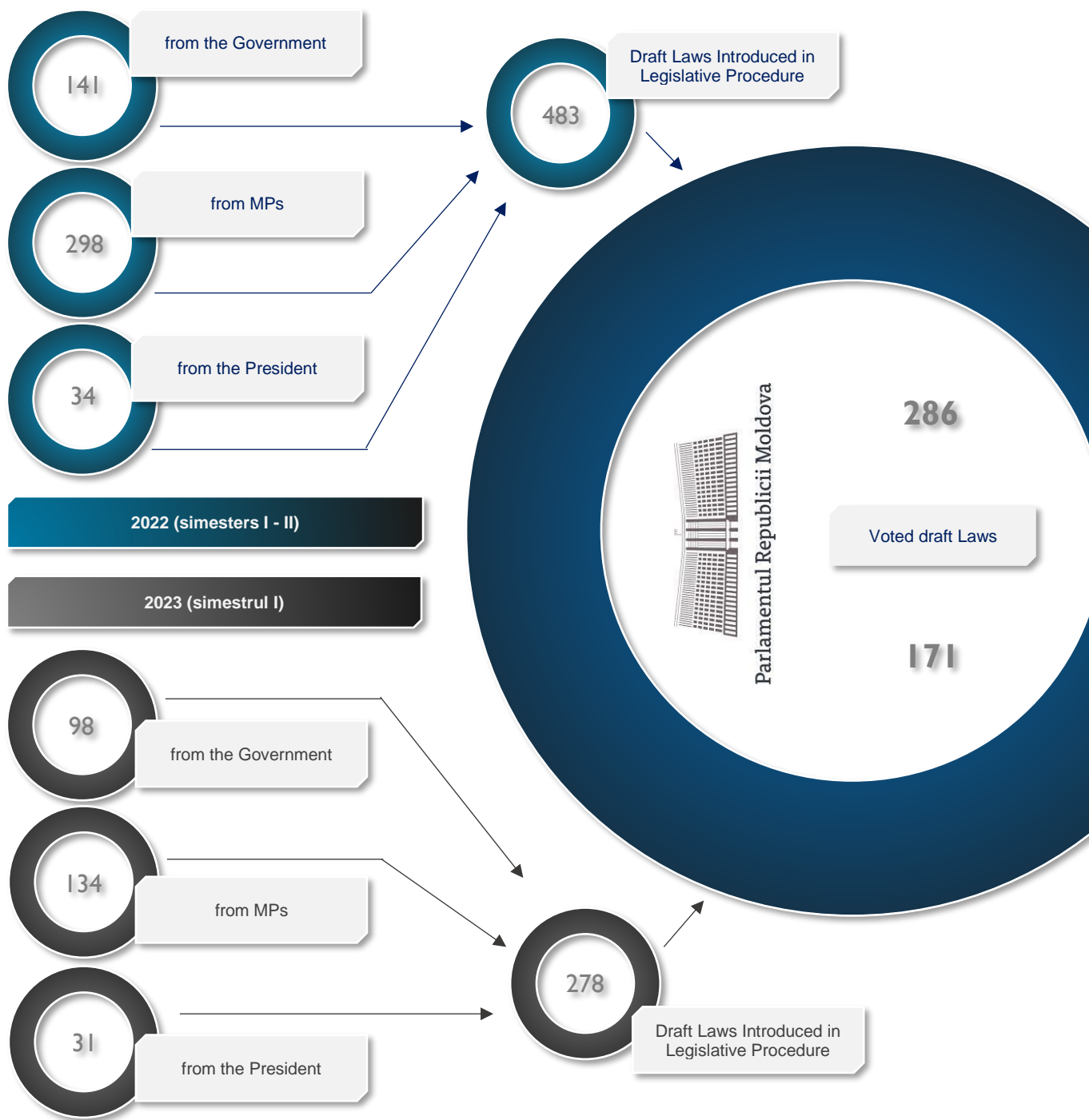
In the spring session, 278 draft legislative acts were submitted to the Parliament for examination. Most of them, 134, belong to MPs. The Government submitted 98 legislative initiatives and the President of the Republic of Moldova 31.

¹³ <https://www.parlament.md/LinkClick.aspx?fileticket=Xh6%2BYe%2FFJ9M%3D&tabid=109&language=ro-RO>

¹⁴ <https://multimedia.parlament.md/bilantul-sesiunii-de-primavara-2023-a-parlamentului-au-fost-adoptate-253-de-acte-normative/>

¹⁵ <https://tvrmdova.md/article/452fdea1e0baf980/bilantul-sesiunii-de-primavara-a-parlamentului.html>

Figure 2



As regards the work of the Executive, the results of its activity are reflected only for the year 2022 in the Report of the State Chancellery on ensuring transparency in the decision-making process by central public administration authorities¹⁶.

According to this report, in 2022, a total of 1063 normative acts were approved in the meetings of the Government as shown in **Figure 3** below:

Figure 3

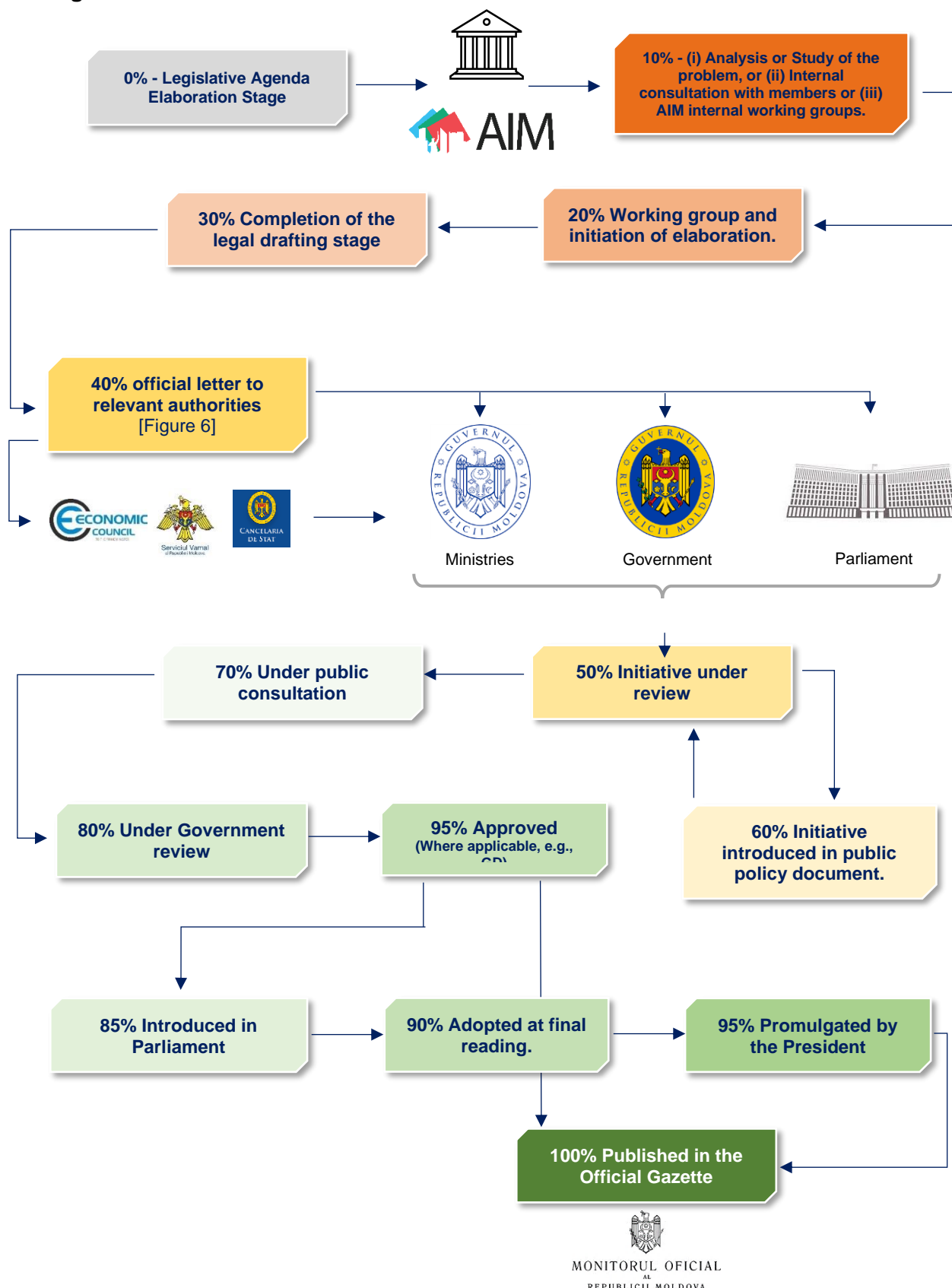


¹⁶ https://cancelaria.gov.md/sites/default/files/document/attachments/raport_transparenta_decizionala_2022_final_docx.pdf

4.2. STAGES OF THE DECISION-MAKING PROCESS

For the purpose of a good understanding of the degrees of evaluation, we will analyze below the stages of the decision-making process. This brings a clarity to the progress of each AIM initiative and facilitates the screening stage of each initiative on the AIM legislative agenda in the decision-making process.

Figure 4



4.3. CIVIL SOCIETY CONTRIBUTION

Decision-making transparency is the procedure for ensuring that the public is informed and involved in the decision-making process of state institutions and is regulated by the regulatory framework in force.

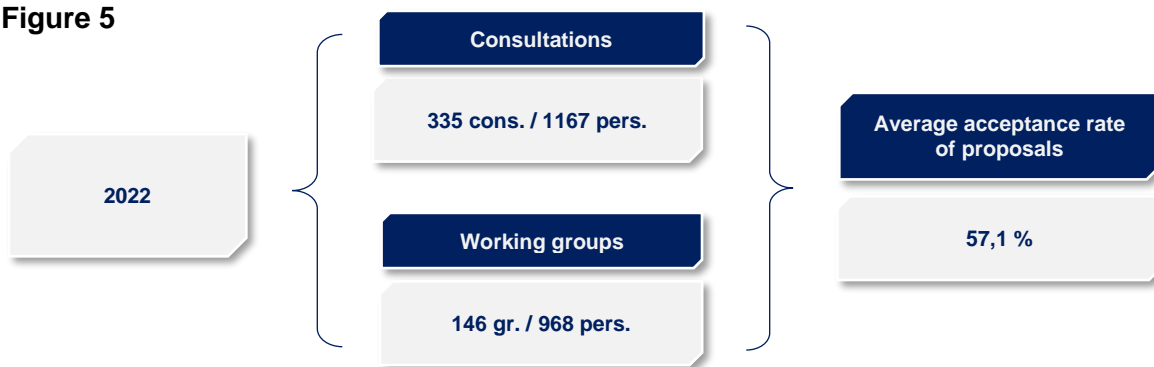
Ensuring decision-making transparency is one of the main factors contributing to increasing the degree of accountability of the public administration towards the citizen, as beneficiary of the administrative decision and to increasing the confidence of the associative sector in the intentions and actions of state institutions.

The application of the principles of transparency in decision-making (publicity and accessibility) implies informing citizens on issues of public interest to be consulted and facilitating active participation in the administrative decision-making process and in the process of drafting legislation.

It is worth mentioning that during 2022, the authorities under the Government received about 2054 recommendations on draft normative acts. The average rate of examination and acceptance of proposals received during public consultations in 2022 was about 57.1%. At the same time, the State Chancellery in its Report on ensuring transparency in the decision-making process by central public administration authorities states that this indicator is subjective, and its value is influenced by many factors, for example, the quality of the normative act proposed for consultation, the quality of the recommendations submitted, the decision-making flexibility of the authority on the normative act, etc.

In the same context, 335 public consultations and debates were held during 2022, involving 1167 participants. A total of 146 working groups were set up, including ad hoc groups involving some 968 participants (**Figure 5**). It should be noted that the data for 2023 are not yet public, which is why we cannot operate with firm data.

Figure 5



The figures covered above also include AIM's contribution to decision-making processes. This is what we will address in the next chapter.

5. AIM'S CONTRIBUTION TO DECISION-MAKING PROCESS

5.1. AREA OF ACTIVITY

About AIM - The Alliance of Small and Medium-sized Enterprises from Moldova is a non-governmental, membership-based business association founded in March 2016. AIM members are small and medium-sized enterprises operating in the Republic of Moldova. AIM members work together as allies through networking, resources, advocacy, and other initiatives to encourage and protect development and growth through the exchange of common principles.

Our mission - is to promote and protect the general welfare and prosperity of small and medium-sized enterprises and those doing business with small and medium-sized enterprises in the Republic of Moldova, so that the business community and its citizens prosper.

One of AIM's core activities is to represent our members on dialogue platforms between the business environment and public agencies to improve regulatory framework and policies.

Our vision - AIM is a small and medium-sized business community working together to achieve common goals that will develop a clear and transparent entrepreneurial and legal environment to promote economic growth and investment in the Republic of Moldova.

To achieve its mission and vision, AIM is a member of the discussion platforms as shown in (Figure 6).

Figure 6



5.2. APPLICABLE LEGAL FRAMEWORK

The term "advocacy" is now frequently used in various contexts, mainly to describe a method or approach used to change policies and practices, reform institutions, change attitudes and behaviors, and give public activities a wider impact. Essentially, this work falls within the limits of the existing national framework which provides for a range of procedures aimed at involving and establishing a collaborative relationship between public authorities and civil society in the decision-making process.

Thus, the main normative acts that create a necessary and appropriate legal framework for the participation of civil society in the decision-making process, in our view, are as follows:

Figure 7



Based on its statutory aims and objectives, AIM shares the view that the association's active participation and involvement in public decision-making can provide policies that better meet the needs of entrepreneurs, especially small and medium-sized businesses. Similarly, active involvement in decision-making processes can increase mutual trust between all stakeholders, both private and public. AIM promotes its legislative agenda through the existing legal framework and its statute in order to defend the interests of its members.

AIM believes that the cornerstone of good public consultation practice is transparency, visibility, and opportunity for participation of all stakeholders. All proposals submitted by participants in the public consultation process are to be analyzed by public institutions, and decisions on the decisions taken are to be explained and substantiated. Only in this way will the decision-making process increase in quality and civil society will be even more active.

5.3. IMPACT

AIM's efforts in the area of active participation in public consultation and decision-making processes by public authorities are based on a legal desire to produce a positive impact which is enshrined in AIM's statutory provisions but also in its mission and vision which drives its work.

It is worth mentioning that the AIM has included in its Legislative Agenda for the years 2022-2023¹⁷ a number of initiatives for the development of regulatory acts and/or proposals for the adjustment of policy documents. All initiatives are aimed at improving the legal framework for entrepreneurial activity in the Republic of Moldova. More details on the degree of achievement with a description of each initiative can be found in **Chapter 6** of this Report.

¹⁷ <https://sme.md/aim-a-expediat-o-scrisoare-guvernului/>

The purpose of this chapter is to provide an overview of the degree of implementation of the measures proposed in the AIM Legislative Agenda. To this end, we will apply the qualifiers and criteria presented in **Table 1** and in **Figure 4**. Thus, from the total number of initiatives proposed in the Legislative Agenda, during the period August 2022 - August 2023, AIM has achieved the following results, indicated in **Table 3**, which is recommended to be analyzed together with **Chart 2**:

Table 3

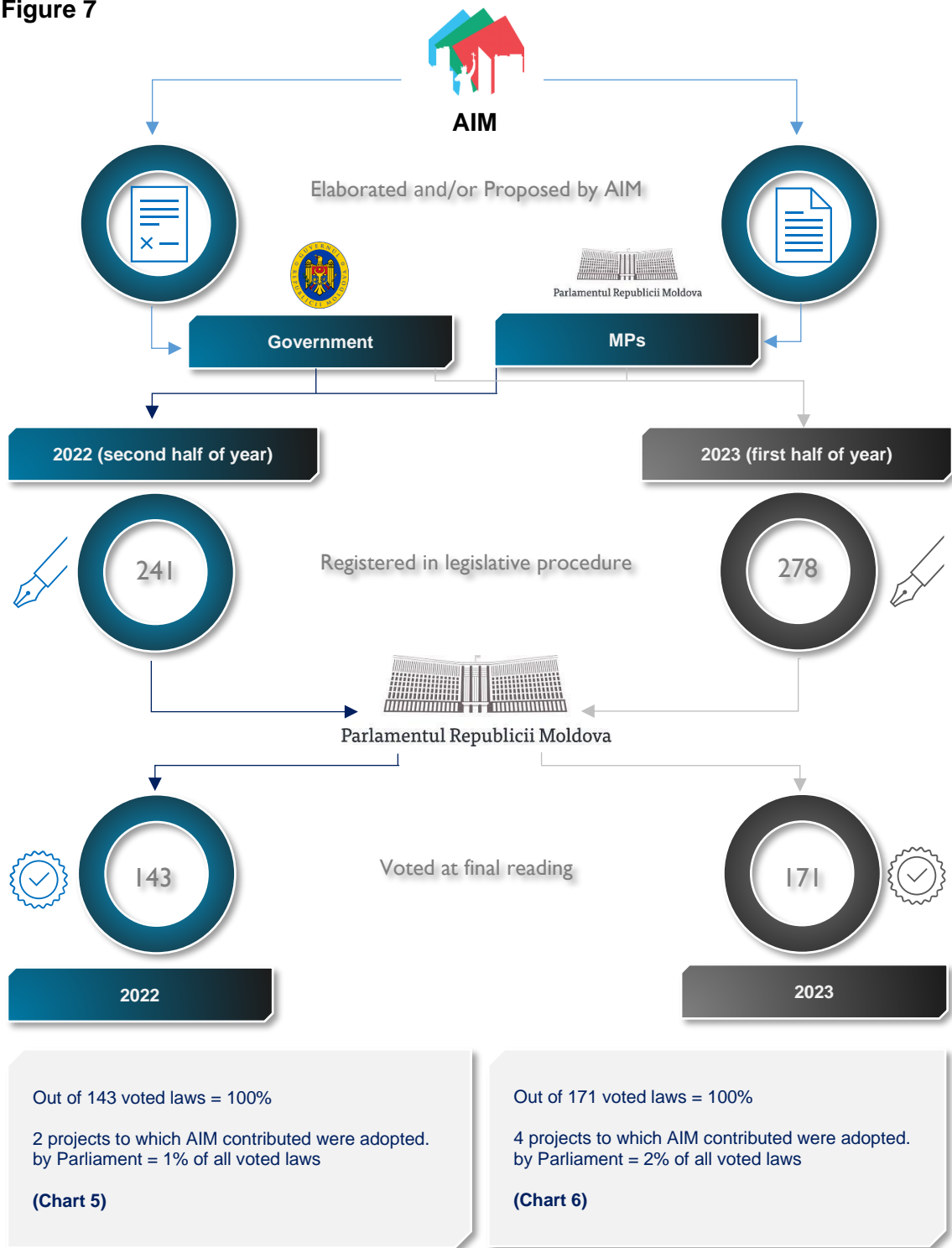
Implementation rate of AIM initiatives				
How.	Quantity	Status of action	Pointer	Description of the indicator
i	3	Achieved	100%	(i) Entered into force or (ii) Published in the Official Gazette
			95%	Promulgated by the President
			90%	Adopted / approved at final reading
ii	4	Partially achieved	85%	(i) Introduced under legislative procedure or (ii) adopted with partial consideration of what AIM proposed
			80%	Under examination by the government
			70%	In the phase of public consultations
iii	8	Ongoing	60%	Introduced into public policies documents
			50%	Under examination by public authorities
			40%	Official requests sent out
iv	1	Process initiation stage	30%	Elaboration completed
			20%	Working group stage
			10%	(i) Study phase prior to preparation and/or (ii) consultation of the initiative with AIM members, or (iii) examination in AIM working groups
v	4	Unfulfilled	5%	Activities started but not carried out or which cannot be proven to be more advanced
			0%	Unstarted or failed tasks

AIM's activities in promoting its legislative agenda have a quantitative and qualitative impact on the overall decision-making process in the Republic of Moldova.

Therefore, in **Figure 7** we want to analyze how AIM's legislative agenda had an impact on the legislative/normative agenda of the relevant decision-making authorities, which ultimately materialized in the improvement of the business framework and environment in the country.

To this end, we will relate the number of actions carried out by AIM to the number of laws registered and/or adopted (or approved, as the case may be) by the executive and legislative branches, as shown in **Figures 2, 3 and 5**.

Figure 7



5.4. AGENDA IN PROGRESS

AIM sets itself an ambitious but realistic legislative agenda. Its agenda is derived from the activity objectives, which are set every year and are aligned with the needs of the small and medium business environment as well as its members.

The legislative agenda of AIM represents the agenda of policies and legislative initiatives of the Alliance of Small and Medium Enterprises of Moldova for 2022-2023. Such a list of initiatives and proposals refers to the elaboration of new legislative acts or amendments to the existing legal framework with an emphasis on the activity of SMEs. Some initiatives may also affect other, larger business categories, although AIM's priority is micro, small and medium enterprises.

The set of proposals advocated by AIM focuses on improving and modernizing the regulatory framework related to the business environment, which has a direct impact on SMEs and focuses on facilitating and developing the entrepreneurial environment as well as reducing bureaucratic pressure on it. AIM's legislative agenda tends to be an evolving and dynamic one, taking into account the needs of the Association's members and the purpose of creating an optimal and sustainable business environment in the Republic of Moldova.

Therefore, in developing its legislative agenda, AIM has been guided by the following principles:

Principle #1 - Participation Reform: We are developing this plan with and for business owners. We represent their needs to the authorities and the government, and we can only do this if there is an urgent need for these changes. To do this - we need a reform that is clear, understandable and for which SMEs are willing to advocate.

Principle #2 - Be bold: All legislative proposals in this process, and those initiated by AIM in general, are designed to be bold. They address in depth some issues understood by entrepreneurs in order to have a real and beneficial impact on their activities. In the process of drafting the legislative framework, compromises are always made depending on the needs of the environment whose activity is regulated - this is AIM's position, and with it we come in our initiatives with the best and most current proposals for our members, which will ultimately have a great impact on the promotion of business and the economy in general.

Principle #3 - Lead with vision: Each proposal is designed to first explain our vision of change. Why things need to change and how to get there. We focus on simplifying our understanding of this vision (i.e., what the world would look like if this reform were implemented) and the reasons that create the underlying problems. Technical details are essential for implementation, but without the vision, they matter less.

The 2022-2023 Legislative Agenda has been approved by the AIM Board of Directors. This document identifies the constraints faced by AIM members and makes recommendations to alleviate or eliminate these constraints. The document takes into account the latest legislative changes, structural reforms and the government's action plan for 2021-2022.

The recommendations proposed in its agenda address in depth some of the constraints identified by AIM members, with the aim of achieving a real and beneficial impact on their work.

In the process of drafting the legislative framework, compromises are always made depending on the needs of the environment whose activity is being regulated - this is AIM's position, and with this approach, the Association has come up with its initiatives with the best and most up-to-date proposals from its point of view, which will ultimately have a great impact on the promotion of business and the economy in general.

In light of the above, AIM proposes to continue adapting and renewing its Legislative Agenda based on the results of the assessment in this report. The renewal of the agenda will be based on the results obtained, i.e. the extent to which the objectives set have been achieved, but also on new proposals from AIM members, which will be examined and proposed for inclusion in the agenda. At the same time, the AIM will supplement its Agenda with proposals developed by its group of experts.

In view of the foregoing, AIM will continue its efforts in the field of participation in decision-making and public consultation in the year ahead.

6. AIM'S LEGISLATIVE AGENDA

6.1. OVERVIEW OF THE AIM LEGISLATIVE AGENDA

The proposed AIM legislative agenda for 2022 includes five key pillars (**Figure 8**) for the work of small entrepreneurs with a major impact on their business:

Figure 8



Pillar 1. Adaptive governance – Optimizing regulation and reducing administrative burdens is an important element for SME development. The burden of bureaucracy is proportionally much greater for SMEs than for large enterprises. The recent and ongoing global, regional and local crises have highlighted all the shortcomings in the area of business regulation in the Republic of Moldova and provide a special opportunity for massive simplification in this area.

In order to simplify existing regulations and optimize the number of procedures affecting the conduct of business, we recommend continuing the process of inventorying licensing acts. At the same time, AIM members consider it necessary to continue the regulatory reform in order to revise the list of services provided by public authorities to businesses against payment and to simplify their provision. At the same time, we underline that the adaptation of the regulatory framework to the principles of the Small Business Act for Europe remains a challenge. The quality of the regulatory framework and its evolution has a direct impact on the achievement of other SME development priorities.

Pillar 2. Human capital in business – Skilled workers are a key factor in an economy based on modern knowledge, trends, skills and experience. However, SMEs find it more difficult to recruit and retain skilled workers than larger companies because they cannot offer more attractive working conditions and salaries. Rapid digital transformation, increasing globalization and skills shortages around the world are putting additional pressure on labour markets, putting SMEs at an even greater disadvantage. In this context, most countries have adopted national policies to help SMEs improve the skills of their employees through training and education programs, technology diffusion, regulatory measures that promote skills development, and individual support for women entrepreneurs and business owners.

Pillar 3. Access to finance – Access to finance, which is needed at every stage of the SME life cycle, is essential for the creation and development of SMEs. SMEs, AIM's members, face difficulties in identifying and accessing adequate sources of finance. Barriers such as high transaction costs and low levels of financial literacy among SME owners explain why small businesses and entrepreneurs often face great difficulties in accessing finance.

Different countries have taken various measures to expand sources of finance for SMEs, such as easing credit conditions for SMEs or developing vibrant and concentrated venture capital markets. While bank finance remains the main source of finance for SMEs, alternative financing instruments have also proliferated in recent years. Policies to support SMEs' access to finance in different countries include the continued expansion of credit guarantees, new approaches to supporting venture capital, combining financial support with training and assistance, and initiatives to exploit the opportunities offered by financial technology and platforms.

Pillar 4. Access to markets - Clear and stable rules for doing business and accessing markets are key determinants of entrepreneurs' decisions on how to grow and locate their businesses. SMEs are the most flexible form of entrepreneurship, ideally suited to meet the challenges of bringing new, innovative and niche products and services to the market. However, a lack of resources and expertise prevents SMEs from actively penetrating domestic and foreign markets. At the same time, digitalization, specialization and concentration are constantly reshaping markets, requiring careful intervention by public authorities.

Pillar 5. Support for innovation and business environment - In recent years, there has been a strong focus on raising the technological level of the economy by attracting technology investors and actively involving universities in the training of IT personnel.

At the same time, the specific nature of SMEs makes them the most flexible and receptive to the transfer of innovative ideas, including those generated in universities and research centers, and their subsequent dissemination.

In this direction, AIM can strengthen the technology brokerage and innovation transfer function, including training programs for SME employees, students and university staff, business plan competitions, entrepreneurial project team competitions, development by students together with university staff of business innovation solutions for start-ups in priority development sectors of the Republic of Moldova.

6.2. PILLAR 1 – ADAPTIVE GOVERNANCE

Pillar 1 initiative 1 REFORM OF STATE INSPECTIONS AND CONTROLS

Description of the problem

This topic is widely discussed at the moment among the business community and although the subject is on the government's radar, it still remains topical until the legislation is changed. In Moldova, small and medium-sized business owners are afraid of inspections and controls because of uneven, corrupt and inconsistent application of the law. If the situation is to be described succinctly, there is a situation in the business environment where some of the public officials responsible for protecting public safety, public finances and ensuring the rule of law are not doing their job to the required standard. Tax inspectors, for example, should be encouraging compliance, correcting mistakes, and penalizing fraudulent actions. To turn the situation around for the better, and achieve this vision, AIM has a number of initiatives aimed at small but important changes designed to increase transparency, rebalance the dynamics of the impact of power on business, and ensure adequate rights of appeal.

Degree of achievement

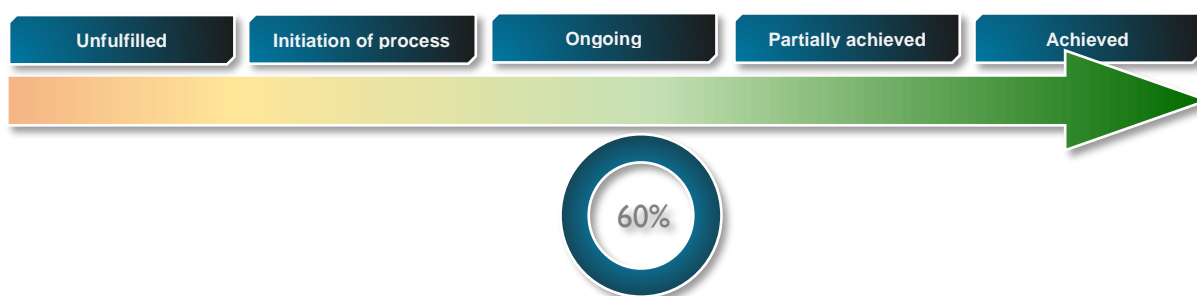
The cabinet followed the AIM initiative to examine the reform of the state control system over entrepreneurial activity, which materialized through the signing by the prime minister of Order no. 108-d of July 25, 2023¹⁸, which, among others:

- (1) approves the Action Plan on reforming the system of state control over entrepreneurial activity.
- (2) the Secretariat of the Economic Council under the Prime Minister is empowered to provide the necessary assistance for the organization and functioning of the thematic working groups, to monitor their activity and to present quarterly to the Prime Minister the results of the work of the working groups.

To be highlighted that the necessary actions have been included in the AP with reasonable terms, which will have a positive impact on the business environment. Thus, 4 crucial activities in terms of importance will have to be carried out by November – December 2023:

- a) Elimination of dysfunctions in relation to the procedural and institutional system of state control, identified following the evaluation of the practices for the application of Law no. 131/2012 on state control over entrepreneurial activity and the related regulatory framework.
- b) Elimination of discrepancies between sectoral laws and Law no. 131/2012 on state control over entrepreneurial activity, including elimination of duplications and unjustified exceptions by aligning with the fundamental principles of state control over entrepreneurial activity.
- c) Ensuring transparent, predictable and fair application of restrictive measures, minimizing abuses by reviewing and regulating the system of restrictive measures applied by state control bodies, including the size of sanctions and how to find and apply them.
- d) Ensuring effective planning of control activity based on risk analysis, by improving the control planning process and adjusting sectoral methodologies in this regard.

Evaluation of the Degree of Achievement: In light of the above, as well as based on the Table 1 correlated with Figure 4, the achievement of Pillar 1 Initiative 1 is assessed at a level of **60%** - status: **Ongoing**.



Next actions

At the moment, work is being done on the drafting of amendments to the legislative acts concerned, as well as on providing the necessary legislative support for the implementation of the actions foreseen in the action plan in terms of state controls and the elimination of abuses in the mechanism for applying sanctions against economic operators. The draft laws are expected to be submitted to the legislature for consideration in the Fall session 2023.

¹⁸ https://www.legis.md/cautare/getResults?doc_id=138183&lang=ro

Impact

Given that the acts concerned are not yet approved/adopted their impact cannot be assessed at this stage. According to Table 2, the action falls under **(cat. v) - No assessment possible**.

We must mention that the targeted action plan includes 9 actions, which will result in a series of amendments to the primary framework but also to the secondary framework. This will have a more pronounced impact on the regulatory legal framework and quantitative indicators of AIM initiatives at the time of the next annual evaluation.

Pillar 1 initiative 2 SMALL BUSINESS ADVOCATE'S OFFICE

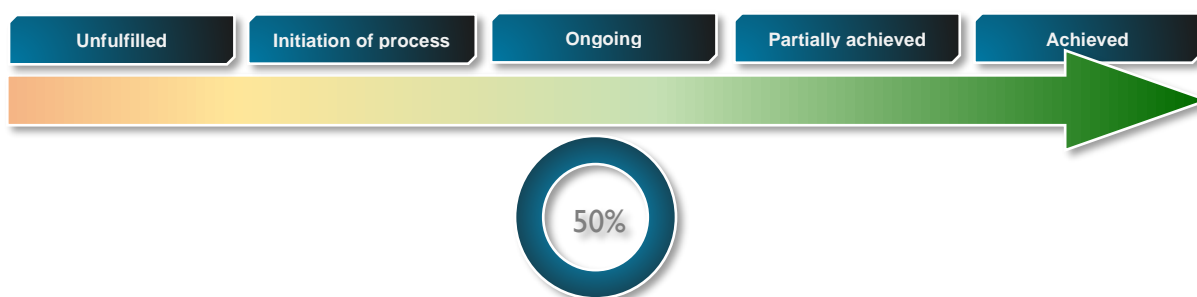
When entrepreneurs interact with state institutions, they regularly face serious problems. Bureaucracy, lack of information, corruption and more. AIM proposes a solution that is aimed at creating the position of the Entrepreneurs' Advocate (Ombudsman). This new position will act as a support mechanism for businesspeople trying to confront red tape. The Entrepreneurs' Ombudsman will help ensure access to information, file complaints about abuses, propose reforms to the government and more. By way of sharing this vision, we propose a Declaration of Small and Medium Enterprises of Moldova, which advocates support for the creation of the Entrepreneurs' Advocate institution.

Degree of achievement

Over the last 2-3 years, there have been several initiatives aimed at setting up the ombudsman's office for small and medium-sized enterprises. In this regard, even AIM drafted a bill in 2021. However, due to the proposed models, all initiatives have retained their status as projects, and further advancement in decision-making is not possible. The general conclusion is that the model of the Ombudsman for Small Business is not compatible with the status of the People's Advocate Office existing in the Republic of Moldova. An alternative model will be examined that will focus only on small and medium-sized businesses.

At the time of drafting this Report, AIM's proposals were sent by official request to the Ministry of Economic Development and Digitalization and are under consideration. Thus, AIM formulated concrete proposals supported by a study of existing practices and models on the European continent and North America. The proposal formulated by AIM is accompanied by a list of arguments with a clear vision and the need to focus on defending and promoting the interests of SMEs by the future Entrepreneurs' Advocate¹⁹ for inclusion in the National Program for Promoting Entrepreneurship and Increasing Competitiveness in 2023-2027 (PACC Program 2027)²⁰.

Evaluation of the Degree of Achievement: Given the above, and based on Table 1 combined with Figure 4, the implementation of Initiative 2 of Pillar 1 is assessed at a level of **50%** - status: **Ongoing**.



¹⁹ <https://sme.md/aim-a-expediat-propuneri-pentru-programul-national-pacc-2027/>

²⁰ https://particip.gov.md/ro/document/stages/*10263

Next actions

Further cooperation with interested parties and additional presentation of AIM's comparative studies of international legislation and its own vision of the Small Business Advocate Office, with a view to choosing the most appropriate model that will focus exclusively or largely on defending the interests of small and medium-sized businesses. A new draft law is recommended to be elaborated and promoted through the Economic Council to the Prime Minister.

Impact

Given that the initiative is in a situation of suspense due to internal debates among decision-makers on the most appropriate ombudsman model for small businesses, this action remains without impact for the time being. According to Table 2, the action falls under **(cat. v) – No assessment possible**.

Pillar 1 initiative 3 CIVIC CORRUPTION REPORTING SYSTEM

Small business owners are not the only people affected by corruption in Moldova. Small and large corruption can be found at all levels of state entities, from licensing or companies, to healthcare, to schools. In all these sectors, there is no standard data collection process to identify what needs reform and what works well. This leads to a position where state agencies say "everything is fine" while activists and associations say "everything is bad." The truth is somewhere in between, and it is essential to obtain accurate data for government and civil society to work together on reforms. For this, AIM proposes a national system of "Report Files for Citizens" to accompany every interaction with the state bureaucracy at every level. This reporting system must be anonymous, electronic, and highly transparent in both implementation and results.

Degree of achievement

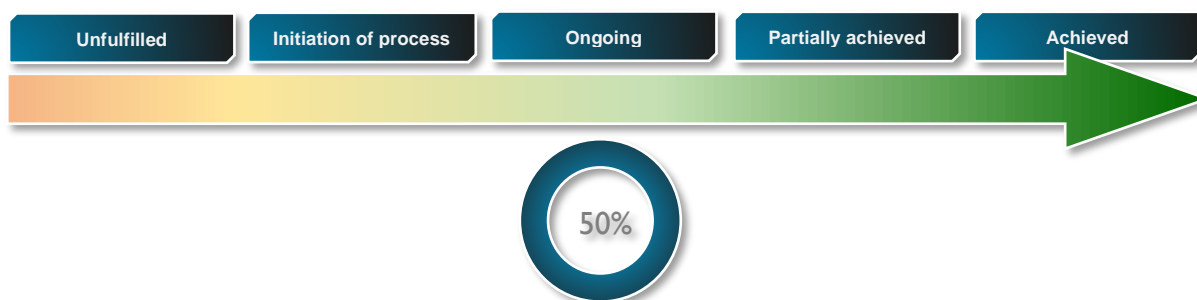
AIM has formulated its own vision on the subject of "Civic Corruption Reporting System" and included it in its Legislative Agenda. At the time of drafting this report, AIM has sent out its vision accompanied by the necessary arguments to the Ministry of Economic Development and Digitization as an official request²¹.

According to AIM, the "Civic Corruption Reporting System" is meant to accompany every interaction with the bureaucracy at any level. The mechanism should be anonymous, electronic and highly transparent in both implementation and monitoring of results. The proposal formulated by AIM is accompanied by a series of arguments with a clear vision and the need to focus on defending and promoting the interests of SMEs in its work and has been proposed for inclusion in the National Program for the Promotion of Entrepreneurship and Competitiveness 2023-2027 (PACC 2027 Program)²².

²¹ <https://sme.md/aim-a-expediat-propuneri-pentru-programul-national-pacc-2027/>

²² https://particip.gov.md/ro/document/stages/*10263

Evaluation of the Degree of Achievement: Taking into account the above, as well as based on Table 1 correlated with Figure 4, the implementation of Initiative 3 of Pillar 1 is assessed at a level of **50%** - status: **Ongoing**.



Next actions

In the next period, AIM aims to be in permanent contact with the Ministry of Economy in order to discuss and consider the opportunity of including a mechanism for reporting corruption in the entrepreneurial environment through the mobile application recently announced by the Ministry²³.

Impact

Given that the initiative has zero degree of achievement, this action currently remains without any impact. According to Table 2, the action falls under **(cat. v) – No assessment possible**.

6.3. PILLAR 2 – HUMAN CAPITAL IN BUSINESS

Pillar 2 initiative 1 SELF-EMPLOYMENT

The self-employment of individuals wishing to carry out entrepreneurial activities in the Republic of Moldova is not fully regulated. Painters, plumbers, repairmen, marketing consultants and many other categories of modern independent employment are not covered by the current legislation, to the extent that these individuals enjoy the facilities granted by the state to micro, small and medium-sized enterprises in accordance with Law no. 179/2016 on small and medium-sized enterprises, benefit from reduced pecuniary penalties, carry out import operations in accordance with customs legislation.

AIM proposes to revise the current legislation in the field of self-employed and/or liberal activities by adopting a comprehensive new law regulating activities with simplified bookkeeping and financial statements. At the same time, it is necessary to adjust the particularities of social and medical insurance in self-employed activity. At the same time, we propose that the Government should work with banks to implement a digital payment solution for the self-employed. In this solution, workers will benefit from a simplified tax regime, while companies or individuals who employ them will make payments via bank applications. Taxes will be automatically removed and withheld by the bank, without the contractor or contractor having to manage the calculations. Self-employed individuals will not have to register for a contractor's license or manage any specific reporting and will simply need a bank account to receive payments and participate in traditional forms of entrepreneurship.

Degree of achievement

This topic is on the agenda of the 2021 AIM. In this regard, the AIM has drafted a bill and the Economic Council under the Prime Minister has also taken the necessary steps to bring it to the public agenda for discussion. As a result the initiative on a simplified accounting regime for

²³ https://www.ipn.md/ro/evo-se-va-numi-aplicatia-care-va-contine-actele-7967_1096150.html

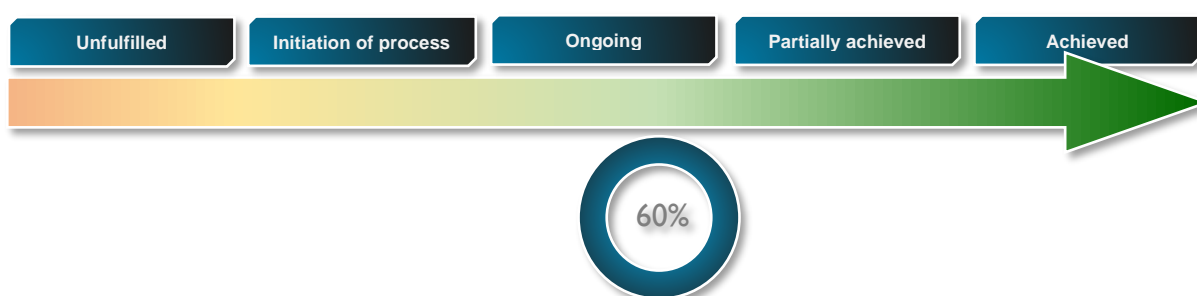
micro enterprises has been included in the Roadmap on Reducing the Regulatory Burden for Small and Medium Enterprises for 2022²⁴.

This Roadmap was an operational document developed for a short period of time (up to one year) with a set of priority measures, agreed by the members of the SME Advisory Council, including its Chair (Minister of Economy) and Vice-Chair (Director of AIM). The aim of the document is to ensure greater participation and ownership of authorities and other stakeholders in identifying and promoting immediate and short-term solutions to reduce the regulatory burden on small and medium-sized enterprises.

This action has been included in the Roadmap under number 3. However, the action has not been implemented. Before the expiry of the document, the Council was due to assess the impacts of the measures implemented and decide whether a similar document should be prepared for the following year.

At the time of drafting this Report, it was accepted that this action should be found in Specific Objective 1.1. Creating favorable conditions for entrepreneurial activity, action nr. 1.1.9. Development of a simplified tax and reporting/control regime for micro-enterprises in National Program for Promoting Entrepreneurship and Increasing Competitiveness in 2023-2027 (PACC Program 2027)²⁵

Evaluation of the Degree of Achievement: Given the above, and based on Table 1 combined with Figure 4, the implementation of Initiative 1 of Pillar 2 is assessed at a level of **60%** - status: **Ongoing**.



Next actions

By the time of drafting this Report, it is confirmed that this action to be included in the Specific Objective 1.1. „Creating favorable conditions for entrepreneurial activity”, action no. 1.1.9. „Development of a simplified tax and reporting/control regime for micro-enterprises” from the National Program for Promoting Entrepreneurship and Increasing Competitiveness in 2023-2027 (PACC Program 2027)²⁶. The PACC’s deadline for implementation is Quarter 4 of 2024, which makes sense for AIM to come up with a viable concept to the Economic Council to the Prime-minister by the end of the fourth quarter of 2023 or the first quarter of 2024. The concept developed must focus exclusively on micro-enterprises.

Impact

Given that this draft law is not currently adopted, its impact cannot be assessed. According to Table 2, this action falls under **(cat. v) – No assessment possible**.

²⁴ <https://consecon.gov.md/wp-content/uploads/2022/07/Foia-de-parcurs-masuri-IMM-28.04.2022-.pdf>

²⁵ https://particip.gov.md/ro/document/stages/*10263

²⁶ https://particip.gov.md/ro/document/stages/*10263

Pillar 2 initiative 2

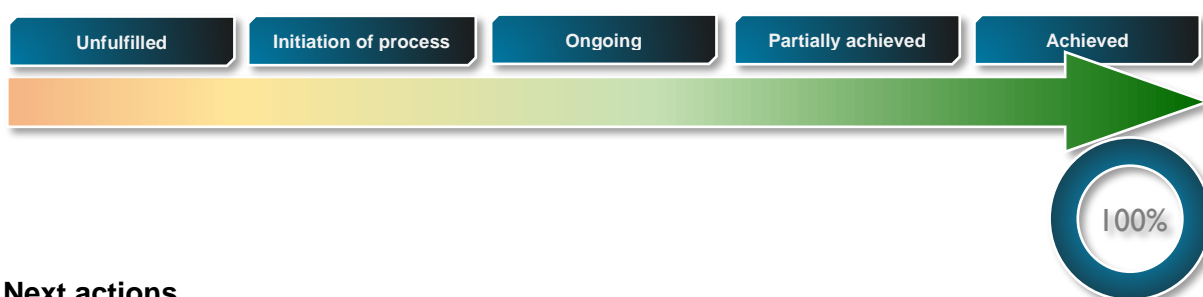
BLUE "MEDICAL PASSPORT" REFORM

Any employee who has worked in hotels, restaurants and café sectors, sanitary product manufacturing, hair salons, or one of the many other professions regulated by the National Food Safety Agency knows the injustice of obtaining a Blue Medical Passport. This indispensable health document requires complex health checks to be obtained every year. The regulations contained in the documents are often excessive and do not apply to the necessary subjects, which is why they need to be revised, because they contain provisions that sometimes do nothing to protect public health. Furthermore, the class portions of the Blue Medical Passport are outdated and based on Soviet Union rules and standards - completely ignoring the appearance of "buying cleaning products at a store" and instead focusing on how to "mix your own". In addition, employers have to bear the costs of the process, give employees days off and often spend an enormous amount of time dealing with the documentation and sustainable control of these documents. AIM believes that Moldova needs to adopt international standards such as SafeServ²⁷ and more the educational part of these online certifications. As far as intrusive medical procedures are concerned, they should be confined to the dustbin of history.

Degree of achievement

This initiative is on the AIM 2021 agenda and is a priority. After many approaches to the competent authorities, AIM has succeeded in bringing the necessary arguments to the attention of the decision-makers. The AIM initiative was included in the Law No. 112 of 11.05.2023²⁸ for amending certain legislative acts and was voted in both readings by the Parliament.

Evaluation of the Degree of Achievement: Taking into account the above, as well as based on Table 1 combined with Figure 4, the implementation of Initiative 2 of Pillar 2 is evaluated at a level of **100%** - status: **Achieved**



Next actions

AIM aims to monitor the development and approval of the secondary legal framework for the implementation of the legislative provisions provided for in Law No. 112 of 11.05.2023 for the²⁹ amendment of some normative acts. At the same time, AIM is available to provide support and involvement in the process of public consultation of the draft secondary act if necessary.

Impact

The impact of the initiative in terms of the degree of achievement, next actions and deadlines for completion of the secondary framework, all related to Table 2 are evaluated at a level - **(cat. ii) Medium.**

²⁷ <https://www.ncrla.org/training-education/servsafe-certification-courses/>

²⁸ https://www.legis.md/cautare/getResults?doc_id=137142&lang=ro

²⁹ https://www.legis.md/cautare/getResults?doc_id=137142&lang=ro

6.4. PILLAR 3 – ACCESS TO FINANCE

Pillar 3 initiative 1 LONG-TERM INCENTIVE PROGRAM

A LTIP is a company policy that rewards employees for achieving specific goals that drive increased shareholder value. In a typical LTIP, the employee, usually a director, must meet various conditions or requirements. In some forms of LTIP, beneficiaries receive, in addition to stock prizes, special capped options.

A LTIP, while aimed at employees, is really a function of the company itself striving for long-term growth. When the goals in a company's growth plan match those in the company's LTIP, key employees know which performance factors they need to focus on to improve the business and earn more personal compensation. The incentive plan helps retain top talent in a highly competitive work environment while the business continues to evolve in pre-determined and potentially lucrative directions.

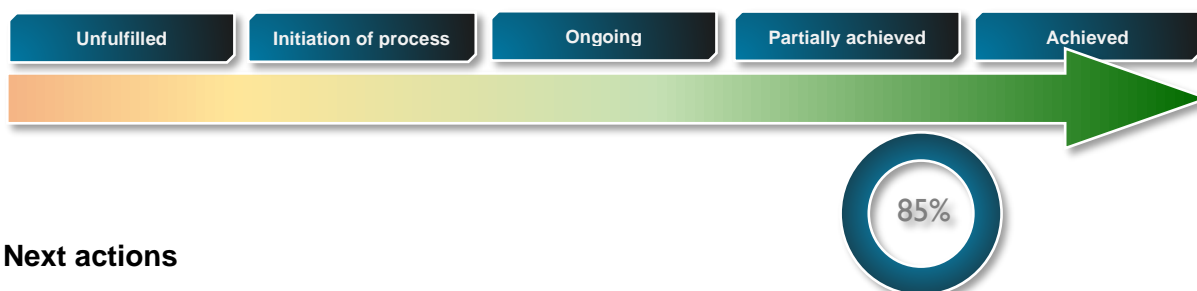
Degree of achievement

AIM has taken the necessary steps and actions during the monitored period to achieve this. It was partially achieved in parallel with the implementation of Pillar 4 Initiative 3 - structural reform of limited liability companies. AIM was appointed as a member of the working group created by the Minister of Economy by Order No 2 of 06 January 2023.

In the course of its work in this working group AIM put forward a number of proposals for the modernization of the institution of LLCs, including those relating to the Long-Term Incentive Program as formulated in the Legislative Agenda.

It should be noted that AIM's proposals were partially considered and subsequently included in the draft law³⁰ amending the Law 135/2007. On 31 July 2023 - the Parliament adopted the draft law introducing reforms in the regulation of relations between the partners/founders of companies³¹.

Evaluation of the Degree of Achievement: Given the above, and based on Table 1 combined with Figure 4, the implementation of Initiative 1 of Pillar 3 is evaluated at a level of **85%** - status: **Partially achieved**.



Next actions

In the coming period, AIM aims to monitor the implementation process of the new legislative provisions once they are published and enter into force. On the basis of the monitoring results, AIM will come up with proposals and comments with a view to improving the regulations if certain omissions or situations requiring intervention are detected.

³⁰ <https://sme.md/aim-participa-la-reforma-societatilor-comerciale/>

³¹ <https://www.parlament.md/ProcesulLegislativ/Proiectedeactelegislativ/tabid/61/LegislativId/6565/language/ro-RO/Default.aspx>

Impact

The impact of the initiative assessed in terms of the degree of achievement, the purpose of the voted legislative act as well as the interests of micro, small and medium-sized enterprises, all related to the Table 2 is evaluated at a level - **(cat. ii) Medium**.

Pillar 3 initiative 2

DECLARATION OF DEBTORS' AND BORROWERS' RIGHTS

One of the main problems of SMEs in Moldova is the lack of finance and credits. A major reason for this is the inadequate relationship between banks and SMEs. Banks engage in practices that eliminate competition and often ignore the (few) regulations they are subject to, such as the requirement to disclose effective interest rates. Non-bank lenders do even less. As a result, SMEs are afraid to borrow at interest rates that will ruin them. Banks complain that people are not borrowing enough, so interest rates must be high. It is a vicious and negative cycle that affects everyone. And to rebalance this system, there needs to be simple, straightforward regulation in the form of a Borrowers' and Debtors' Bill of Rights. This should apply to both legal entities and individuals. We also believe it should apply to non-bank lenders and microfinance institutions. AIM is working to propose such an initiative based on international best practice.

Developing a regulatory solution to this situation would require lenders (banks and microfinance organizations) to provide detailed and uniform pre-contractual information about the financial products offered and to clearly indicate the APRC in credit/loan contracts.

In order to facilitate access to finance for small businesses, but also to simplify the lending process, including protection from abusive lending practices, the Alliance of Small Businesses of Moldova proposes a Borrowers' and Debtors' Bill of Rights. This Bill of Rights, based on international best practices and adapted to the financial reality of Moldova, aims to support both borrowers and lenders by creating clearer standards for communicating credit information and making fair business decisions.

Degree of achievement

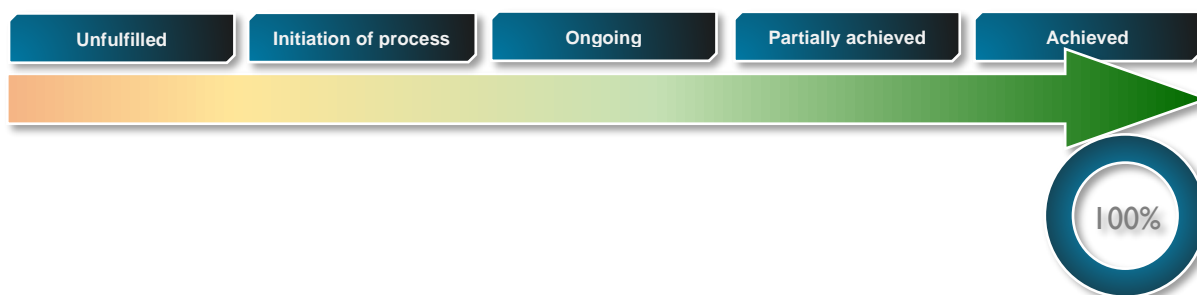
AIM has been working on the implementation of this action for a long time. For example, AIM held discussions with policymakers in Parliament in Q3 2021 and presented several arguments in favor of the idea of strengthening consumer protection when it comes to non-bank lending. The main focus was on micro and small businesses, but also on individuals engaged in entrepreneurial activities. As a result, in the first quarter of 2022, a bill was introduced in Parliament to regulate the conditions for concluding credit agreements in order to increase the level of protection for consumers who take out loans, thus contributing to increasing the safety of the banking sector and consumer confidence in the financial sector.

The bill introduces an important mechanism to protect vulnerable consumers in cases where credit scoring is inadequate. The proposed amendments establish an obligation for creditors to properly assess the creditworthiness of consumers using all available information. When creditors neglect their responsibility to properly assess creditworthiness, they put borrowers at risk of defaulting on their loans and contribute to over-indebtedness.

At the end of the first quarter of 2022, the bill was passed on final reading and subsequently signed into law by the President. On 29.04.2022, Law No. 93/2022 was published in the Official Gazette and is currently in force³².

³² https://www.legis.md/cautare/getResults?doc_id=131066&lang=ro

Evaluation of the Degree of Achievement: Given the above, and based on Table 1 combined with Figure 4, the implementation of Initiative 2 of Pillar 3 is evaluated at a level of **100% - Achieved**.



Next actions

Considering that the consumer protection in the field of credit has recently been transferred to the NCFM with the approval of Law 175/2023³³, AIM intends to collaborate and actively participate in the public consultation process of the secondary legal framework that will strengthen the provisions of the primary framework and make the legal provisions practical and applicable.

In addition, AIM aims to analyze the existence of possible gaps or new risks for SMEs in the area of credit and to make proposals for adjustments to the legal framework.

Impact

The impact of the initiative taken in terms of the degree of achievement, subsequent actions and opportunities to achieve the secondary framework, all reported to Table 2 shall be evaluated at a level – (cat. i) **Major**.

6.5. PILLAR 4 – ACCESS TO MARKETS

Pillar 4 initiative 1 TAX INVOICE REFORM

The tax invoice itself is an element of an accounting system that is largely outdated and rooted in excessive state control over the monitoring of business processes for the purpose of verifying their tax compliance. This system is not practical in a modern economy and was fundamentally designed with the assumption that all businesses were large, state-controlled enterprises. Small businesses, from farmers to retailers, incur significant costs in terms of complexity and time to activate this bureaucratic system. The solution is to simplify the current system and bring it in line with international and European best practice in economic reporting.

AIM proposes a set of documents to reform this mechanism and simplify B2B (business-to-business) transactions, eliminate red tape and ensure that more companies fully comply with tax legislation. This will ensure a win-win situation for all.

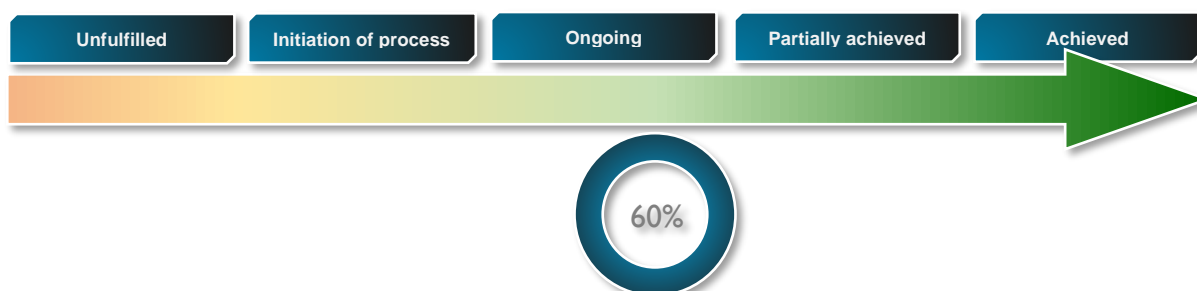
Degree of achievement

At the time of writing, the measure on the reform and modernization of the tax invoice and the tax voucher is included in point 24 of the Roadmap for digitization of the economy and e-commerce - 2023. It should be noted that the topic included in the Roadmap partially reflects the initiative proposed by AIM, and further efforts are needed for policy makers to take into account all the issues and arguments highlighted by the small business association. However,

³³ https://www.legis.md/cautare/getResults?doc_id=137796&lang=ro

AIM welcomes and appreciates the inclusion of the issue in the Roadmap and proposes to actively participate in the next steps towards the implementation of point 24.

Evaluation of the Degree of Achievement: Given the above, and based on Table 1 combined with Figure 4, the achievement of Pillar 4 Initiative 1 is rated **60% - In progress**.



Next actions

Although the initiative is included in a roadmap to be developed by the Economic Council to the Prime Minister and to be carried out in cooperation with the Ministry of Finance and the State Tax Service, AIM intends to make proposals for the development of the idea itself, including from the point of view of the interests of micro, small and medium-sized enterprises. AIM reiterates its interest in participating in all rounds of public consultations and working groups for the implementation of this measure.

Impact

As the initiative in question has not yet been approved/adopted, its impact cannot be assessed at this stage. According to Table 2, the action falls under **cat. v - No assessment possible**.

Pillar 4 initiative 2 E-COMMERCE REFORM

In a world of one-click ordering and same-day delivery, Moldova's economy is a relic of the 20th century. This is not because Moldovan businesses are unwilling to innovate or operate in a modern way, but because they are constrained by legal regulations that require modernization.

Increasing informal business - Because small businesses do not have access to this costly payment processing solution, they operate informally. Individuals can accept online payments or a personal bank account in another country. This money is not taxed in Moldova, and Moldovan businesses cannot hire these people for services because the expenses cannot be documented. Not only are people forced not to comply, but promising small businesses cannot grow and expand because they operate informally.

A key element is the adoption of FinTech regulations and incentives for payment processors to enter Moldova - currently online payments do not exist in Moldova in any practical form. Banks offer some products, but even large companies don't bother to integrate them. The solution is deregulation focused on bringing a large number of fintech companies to the Moldovan market.

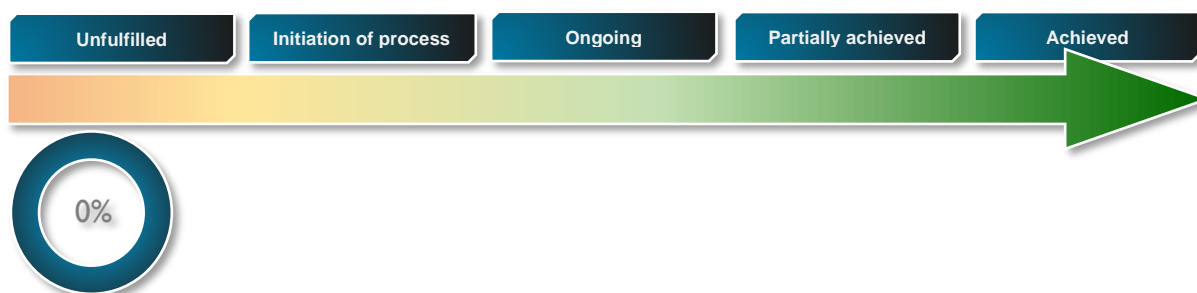
Companies like STRIPE or PayPal, which offer payment processing services, should have no barriers to operate here. It is essential that third party payment processors are given the opportunity to operate in Moldova. It is impractical to believe that banks, large bureaucratic and rarely innovative companies can technically implement this. Allowing third-party payment processors also opens up new opportunities for Moldovan startups to enter the space and innovatively solve their customers' problems. Allowing payments to be processed in multiple

currencies or for automatic currency conversion so that international buyers can access Moldovan goods is essential.

Degree of achievement

At the time of writing, all of AIM's efforts on this initiative have been at the level of informal discussions. No formal action has been taken but will be monitored in the next period.

Evaluation of the Degree of Achievement: Taking into account the above and based on Table 1 in conjunction with Figure 4, the achievement of Pillar 4 Initiative 2 is rated as **0% - Unfulfilled**.



Next actions

In the coming period, AIM aims to be in constant contact with the Ministry of Economic Development and Digitization in order to discuss and identify the most effective solutions proposed to remedy the outlined problem.

Impact

Given that the initiative has a zero degree of achievement, this action remains without impact for the time being. According to Table 2, the measure falls under **cat. v – No assessment possible**.

Pillar 4 initiative 3

STRUCTURAL REFORM OF LIMITED LIABILITY COMPANIES

Today, Moldova is not just "unattractive" but impossible for foreign companies to set up their LLCs and conduct global business. Much of the reason for this lies in tax invoicing (non-compliance with EU e-invoicing, lack of E-Bon Fiscal) and some lies in the lack of FinTech providers in the corporate market (Paypal, etc.). But another key challenge is the structuring of LLCs according to Moldovan legislation. At the moment, LLCs are completely unable to accommodate modern, growth-oriented global companies.

Degree of achievement

This initiative was included in AIM's legislative agenda last year in view of the problem described. AIM, as a member of the working group set up by the Minister of Economy by Decree No. 2 of 6 January 2023, submitted a series of proposals to modernize the LLC institution. The submitted proposals were taken into consideration and subsequently included in the draft law amending Law No. 135/2007³⁴.

On July 31, 2023 - the Parliament adopted the draft law introducing reforms in the regulation of relations between partners/founders of companies³⁵. The document provides for new opportunities and more rights for partners, as well as simplification of some bureaucratic

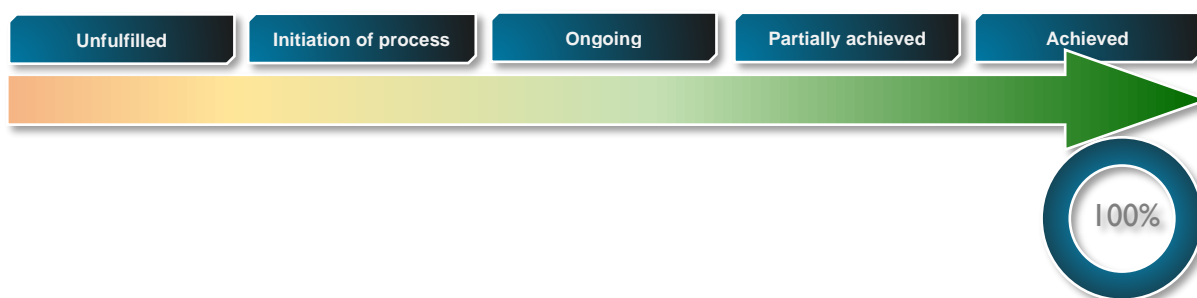
³⁴ <https://sme.md/aim-participa-la-reforma-societatilor-comerciale/>

³⁵ <https://www.parlament.md/ProcesulLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/6565/language/ro-RO/Default.aspx>

procedures, such as the elimination of the maximum threshold for the number of partners in a limited liability company, the drafting of a single memorandum of association instead of two, which will simplify registration procedures and will allow, in the foreseeable future, the creation of a remote business registration tool with the application of electronic signatures, the possibility of making the State Register of Legal Entities the main source of official information on a number of legal situations arising within the company, the elimination of the prohibition of contributions to the formation of the registered capital in the form of consumer goods and intellectual property rights, the introduction of the acceptance of the conversion of a pecuniary obligation of the company into a creditor's contribution to the registered capital, etc.

At the moment, according to the information on the website of the Parliament³⁶, the draft is under consideration before promulgation and publication.

Evaluation of the Degree of Achievement: Based on the above, as well as Table 1 correlated with Figure 4, the implementation of Pillar 3 Initiative 2 is rated at **100% - Achieved**.



Next actions

AIM intends to monitor the regulatory impact of the new amendments to Law 135/2007 and to come back in the coming period with comments and, if necessary, proposals for adjustments.

Impact

The impact of the initiative taken in terms of the degree of achievement, the purpose of the enacted legislative act and the interests of micro, small and medium-sized enterprises, all reported in Table 2, is assessed at level - **(cat. ii) Medium**.

6.6. PILLAR 5 – SUPPORT TO INNOVATION AND BUSINESS ENVIRONMENT

Pillar 5 initiative 1 DEPARTMENT OF "NEW PRODUCTS AND PROCESSES"

Almost all sectors of the national economy are lagging behind the indicators of its neighbors in the region. One of the main reasons for this is the lack of a regulatory framework conducive to the development of new ideas and products, as well as a lack of willingness on the part of the state to adapt to the new times and a shift towards modernization. Here are just a few examples of these challenges in practice:

- (1) Online credit card processing - large taxi companies process their cards across borders because they are unable to provide online services in accordance with the country's regulatory framework.
- (2) A company wishing to produce a new type of food or beverage not previously prepared in Moldova faces a multitude of bureaucratic hurdles and public institutions from which to obtain various approvals. Often, companies operating in the same field authorize their work processes in completely different ways, depending on whom they have communicated with. No one knows if they did it right, including the government.

³⁶ <https://www.parlament.md/ProcesullLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/6565/language/ro-RO/Default.aspx>

- (3) Companies importing new products often have no idea how to register them and place them legally and correctly in Moldova. Either they don't do it at all, or they have to navigate a dizzying array of public institutions.

To solve this problem, AIM proposes the creation of a new public institution or the development of the powers of the existing public institution that will act as a "one-stop shop" to help companies with innovative or simply complicated products to place on the market. This institution is proposed to have the following responsibilities.

- (a) Research and analysis of current processes - Entrepreneurs who do not know how to legalize, market and sell their products can turn to the Agency for assistance. The agency will then analyze the processes and help the entrepreneur navigate the system.
- (b) Direct Assistance to Entrepreneurs - If a problem arises with a government agency, the Agency will intervene directly to try to help the government agency understand what the entrepreneur is doing and find a way to legalize the process.
- (c) Identifying systemic problems and making recommendations to Parliament and Government - Where systemic problems are identified, the Agency may make recommendations for changes in legislation or regulation directly to Parliament and Government. The objective is to ensure effective communication that will resolve the unresolved problems felt by the business community.
- (d) Advocacy for businesses and new products - If there is a product that is completely unavailable in Moldova, e.g., new FinTech products or new engineering technologies that are not provided for in the law, the Agency could prepare a legislative proposal to the Parliament or a regulatory proposal to the Government to enable and regulate these processes. For the agency to support a particular new product, the entrepreneur would only have to demonstrate that the process or technology is widely used in a neighboring country in the region. If it is viable elsewhere, the Agency should not judge whether or not it would be valid in Moldova but should support its placement on the market.

Degree of achievement

During the reporting period, AIM held discussions with the Ministry of Economic Development and Digitization to create a New Products and Processes Department to work with innovative companies in various sectors to help them implement their innovative ideas in Moldova. This department will be responsible for answering questions, providing access to information, cutting through opaque regulations, and formulating arguments to the government and parliament for needed reforms.

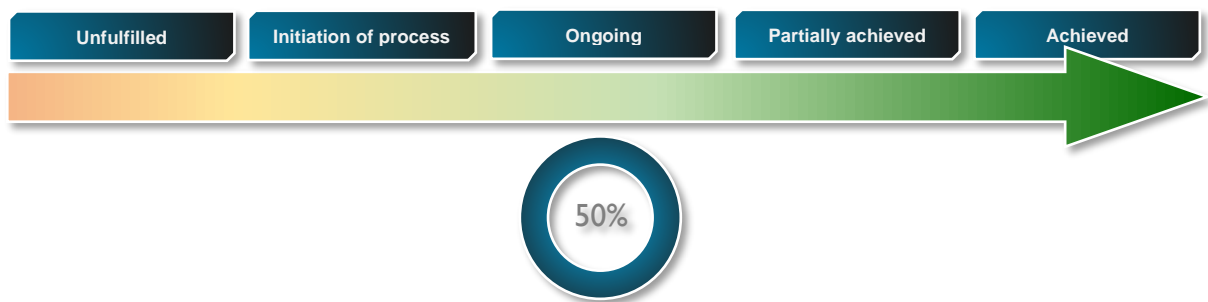
AIM has formulated its vision in an official submission with the necessary arguments³⁷ and sent it to the Ministry of Economic Development and Digitization for consideration and possible inclusion in the National Program for the Promotion of Entrepreneurship and Competitiveness 2023-2027 (PACC Program 2027).³⁸

The Ministry of Economic Development and Digitization will decide on the inclusion of this proposal in the PACC as soon as possible.

³⁷ <https://sme.md/aim-a-expediat-propuneri-pentru-programul-national-pacc-2027/>

³⁸ https://particip.gov.md/ro/document/stages/*10263

Evaluation of the Degree of Achievement: Taking into account the above, and based on Table 1 in combination with Figure 4, the achievement of Pillar 5 Initiative 1 is assessed at **50% - Ongoing**.



Next actions

In the next monitoring period, AIM aims to formulate a clearer concept for the current action and raise it with the line ministry. AIM will also work with its members and partner organizations to develop a clear concept before starting discussions with the Ministry.

Impact

Given that the initiative has a 5% degree of achievement, this action currently remains without impact. According to Table 2, the action falls under **cat. v – No assessment possible**.

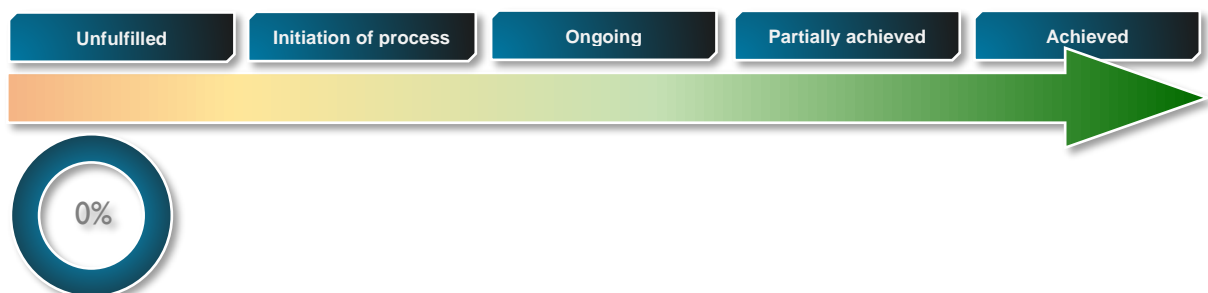
Pillar 5 initiative 2 ENERGY SECURITY

Against the backdrop of exceptional energy price developments and the security crisis in Ukraine, the negative price effects are deepening and threatening the security of electricity and gas supplies. For this reason, AIM has included in this pillar an issue that is as sensitive as it is important for the business operations of SMEs in the Republic of Moldova. Our expectation is to be involved in the elaboration and implementation of an Energy Emergency Action Plan, taking into account that the cold season is approaching.

Degree of achievement

During the reporting period, AIM did not take any action to implement Pillar 5 Initiative 2.

Evaluation of the Degree of Achievement: Based on Table 1 correlated with Figure 4, the implementation of Pillar 5 Initiative 2 is assessed at **0% - Unfulfilled**.



Next actions

In the next monitoring period, AIM is open for discussions on the topic addressed, including in terms of costs for SMEs.

Impact

Given that the initiative has a 0% degree of achievement, this action currently remains without impact. According to Table 2, the action falls under **cat. v – No assessment possible**.

Pillar 5 initiative 3

FACILITATING INVESTMENT IN ENERGY EFFICIENCY

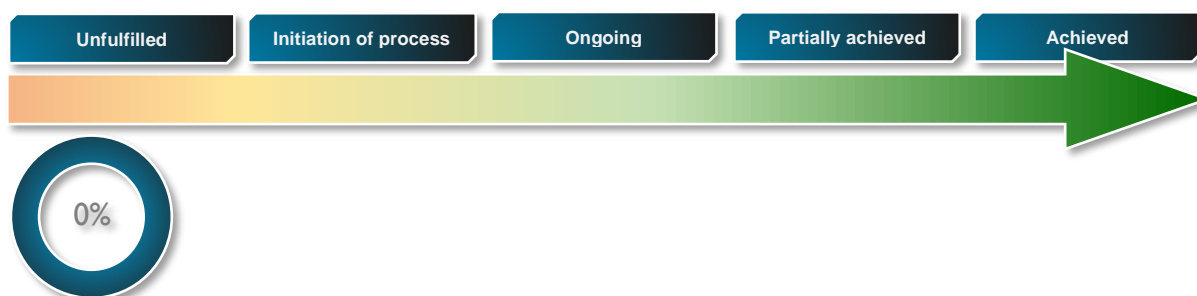
Energy efficiency and renewable energy are some of the most promising ways to achieve nearly half of the goals set and agreed upon in the Paris Agreement on climate change, helping the government reduce resource consumption, optimize costs, and provide national hope for a brighter and more energy secure future.

The lack of effective coordination between different actors hinders the realization of energy efficiency and renewable energy investments in the country. As a result, the private sector highlights certain procedures as too costly and time-consuming, or even as an additional administrative burden.

Degree of achievement

During the reporting period, AIM did not take any action to implement Pillar 5 Initiative 3.

Evaluation of the Degree of Achievement: Based on Table 1 correlated with Figure 4, the implementation of Pillar 5 Initiative 3 is assessed at **0% - Unfulfilled**.



Next actions

In the next monitoring period, AIM is open for discussions on the topic addressed, including in terms of costs for SMEs.

Impact

Given that the initiative has a 0% degree of achievement, this action currently remains without impact. According to Table 2, the action falls under **cat. v – No assessment possible**.

Pillar 5 initiative 4

COMPREHENSIVE TAX REFORM

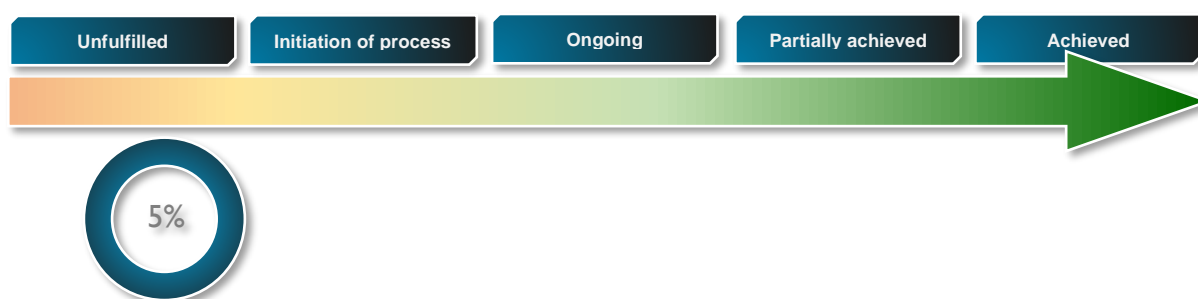
AIM supports the idea of a comprehensive tax reform in Moldova. The current system is overly complicated, overly bureaucratic from an administrative point of view for both companies and the state, and focuses the tax burden in a way that inhibits economic growth and promotes inequality. The prospect of creating a framework for comprehensive reform is far from the

domain of an organization like AIM. However, we would like to outline a number of key principles and ideas that we would like to see reflected in this reform, including the introduction of marginal income tax rates, simplified payments for entrepreneurs, competitive tax rates for the tourism and retail sectors in line with practices in Europe and other countries. AIM believes that a truly inclusive national conversation about reforms that would unlock Moldova's growth potential and stimulate a citizen-led consumer economy is essential, an economy where workers can contribute not only with their labor but also with their purchasing power when paid a fair wage.

Degree of achievement

AIM has taken all the necessary steps in parallel with discussions with the Ministry of Finance. At the time of writing, AIM is working to put the issue on the public agenda and to promote it.

Evaluation of the Degree of Achievement: Taking into account the above, as well as based on Table 1 correlated with Figure 4, the implementation of Initiative 4 of Pillar 5 is assessed at a degree of **5% - Unfulfilled**.



Next actions

In the next monitoring period, AIM aims to formulate a clearer concept for the current action, supported by a broad business coalition, and to raise it with the Ministry of Finance.

Given the importance of this action, but also the potentially large impact on the entire business environment in the country, not just on small and medium enterprises, this issue will be high on AIM's agenda.

Impact

Given that the Initiative has a success rate of 5%, this measure has no impact for the time being. According to Table 2, the measure falls under **cat. v – No assessment possible**.

Pillar 5 initiative 5 INFORMATION AND TECHNOLOGICAL SUPPORT FOR SMEs

An effective network and innovation infrastructure is one of the key components of entrepreneurial activity. The availability and reliability of infrastructure is particularly important for SMEs, as they very often lack access to the necessary infrastructure.

The experience of entrepreneurship development in the Republic of Moldova shows that, in addition to the need for financial and material support for SMEs, it is becoming increasingly important to provide SMEs with the necessary information resources to develop entrepreneurial activity and conduct business.

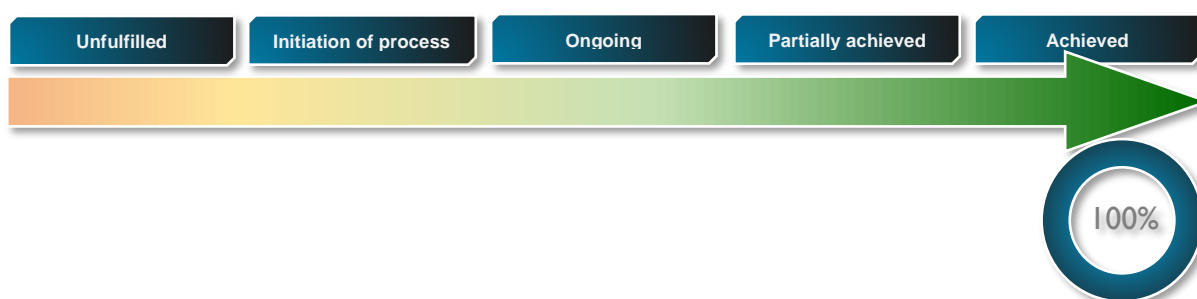
This assistance is very important for the initiation, survival, development and giving a new chance to businesses in the Republic of Moldova. At the same time, this assistance must be felt equally at the national and regional, local level.

Degree of achievement

AIM shares the view that digitizing as many processes as possible will simplify and stimulate economic activity in the country. Therefore, AIM has drafted a bill on obtaining digital extracts from the State Register of Legal Entities. After informal discussions with representatives of the Parliamentary Committee on the Economy, Budget and Finance, the bill was submitted for consideration.

Based on the AIM initiative, the MPs expanded the services to be included in the bill and added some additional public services to be digitized, which we believe had a positive impact. The bill was submitted to Parliament in 2022 and was approved. To date, Art. 37 (11) of Law 220/2007³⁹ provides for the possibility of obtaining the extract in electronic form, which has a positive impact on the work of entrepreneurs who save time by ordering it online.

Evaluation of the Degree of Achievement: In light of the above, and based on Table 1 in conjunction with Figure 4, the achievement of Pillar 5 Initiative 5 is rated **100% - Achieved**.



Next actions

In the next period, AIM aims to monitor the implementation process of the new legislative provisions. Based on the results of the monitoring, AIM will come up with its proposals and observations in order to improve regulations if certain omissions or situations requiring intervention are detected.

Impact

The impact of the initiative taken in terms of the degree of achievement, the purpose of the adopted legislative act and the interests of micro, small and medium-sized enterprises, all reported in Table 2, is assessed at a level – (cat. I) **Major**.

6.7. OTHER LEGISLATIVE INITIATIVES THAT WERE NOT ON THE LEGISLATIVE AGENDA BUT APPEARED DURING 2022-2023

Initiative 1 outside the Legislative Agenda REGULATORY SET ON SMALL PRODUCERS

AIM supports the development of small local producers in their business activities. During the monitored and evaluated period, AIM has actively supported the creation of a comprehensive set of regulations, considering European practices, focused on the needs and activities of small producers.

The set of amendments is aimed at optimizing and simplifying the technical and sanitary requirements in order to facilitate the activity of food operators producing small quantities of animal/non-animal food products, producers of artisanal products, producers of traditional products and food services in tourist/agro-tourist accommodation.

³⁹ https://www.legis.md/cautare/getResults?doc_id=136918&lang=ro#

- (a) **Primary legal framework** - During the period under review, AIM was involved in and contributed to the drafting of a complex amendment to the primary legal framework, which focuses largely on the licensing and certification aspects of the activities of small producers. Thus, the draft law included amendments and adjustments to the following legal acts: law no. 296/2017 on general food hygiene requirements; law no. 221/2007 on sanitary and veterinary activities; law no. 57/2006 on vine and wine; law no. 279/2017 on consumer information on food products.

It should be noted that, at the time of writing, the amendment to the primary legal framework has been finalized, has passed all stages of consultation and has been sent to Parliament for introduction into the legislative process.

- (b) **Secondary legal framework** - With regard to the secondary regulatory framework, the evaluator has noted that an inter-ministerial working group is currently in place and active and is working on the drafting of the secondary regulatory framework. This working group includes the Ministry of Agriculture and Food Industry, the Ministry of Economic Development and Digitization, the National Agency for Food Safety, etc. AIM also participates in the meetings of the inter-ministerial working group.

Up to the drafting of this report, AIM has carried out the following activities and actions that have contributed to the development of the secondary legal framework in terms of the regulatory set for small producers:

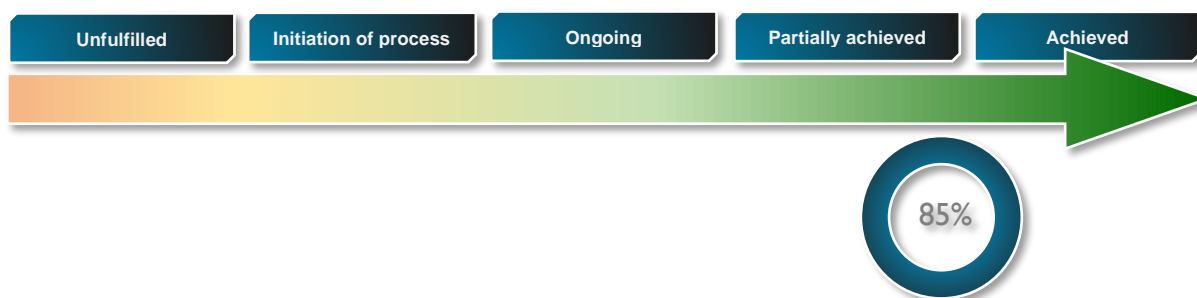
- Conducted a comprehensive legal analysis of the current legal framework to identify barriers and gaps.
- Conducted the consultation meeting of AIM members in the field.
- Organized and held 2 working meetings within AIM.
- actively participated in 3 meetings of the Economic Council under the Prime Minister on the subject and in a meeting of the working group set up by the Ministry of Agriculture and Food Industry.

The secondary legal framework focuses on the elaboration of proposals for the establishment of simplified requirements for the activity of small food producers by amending some Government decisions, such as GD No. 206/2002; GD No. 643/2003; GD No. 1209/2007; GD No. 412/2010 and GD No. 1211/2016.

Degree of achievement

AIM has made considerable efforts and contributed to the process of working and developing the legal framework focused on the needs of small producers. In this complex process, AIM has worked both with its small producer members and with the public authorities through participation in inter-ministerial working groups and meetings of the Economic Council under the Prime Minister. These efforts have materialized in a contribution to the drafting of a bill to amend the primary legal framework, which has been submitted to Parliament for introduction into the legislative process. At the same time, we note that AIM is also actively participating in the elaboration of the secondary legal framework and has undertaken a number of important activities in this regard, such as meetings with its members, participation in working groups and meetings of the Economic Council to the Prime Minister.

Evaluation of the Degree of Achievement: Taking into account the above, and based on Table 1 in conjunction with Figure 4, the achievement of Initiative 1 outside the Legislative Agenda is assessed as **85% - Partially achieved**.



Next actions

AIM will continue its active participation in the development of the secondary legal framework in order to create a favorable legal framework for small producers in the Republic of Moldova. At the same time, AIM will monitor the progress of the primary legal framework, which has been submitted to the Parliament for discussion.

Impact

As the initiative has not yet been adopted by the Parliament and is not yet in force, and as the secondary framework is currently being drafted, this action has no impact at this stage. According to Table 2, the measure falls under (cat. v) – **No assessment possible**.

Initiative 2 outside the Legislative Agenda LAW ON FREELANCERS

AIM supports the idea of simplifying the contracting procedure for self-employed persons providing certain services or low-value work, who currently operate in the gray market without paying the necessary fees. The basic idea is therefore to create a legal status for such categories of self-employed persons and to regulate the provision of services and work. Since the self-employed often work informally, they usually demand payment in cash. Often, these self-employed persons provide services not only to individuals but also to small entrepreneurs. This means that SMEs need to identify and spend cash. This in turn means that they have to create cash and such a practice often leads to 1) tax evasion (no tax receipts, etc.); 2) gray area solutions - e.g. renting the camera from the photographer, etc. The above problem is more complex than it seems at first glance and requires a proper approach and solutions.

The proposed solution is to draft a law containing the following main provisions:

- (a) establish the conditions for the exercise of the activity of self-employment;
- (b) establishes the conditions for their registration;
- (c) establishes the rights and obligations of self-employed persons and the beneficiaries of the services and works they provide;
- (d) regulates the status and use of the mobile application for self-employment;
- (e) regulate the fiscal aspects and tax rates related to self-employment;
- (f) authorize banks and payment service providers to develop and use specialized mobile applications that can be used by self-employed persons to receive payments and pay taxes to the State.

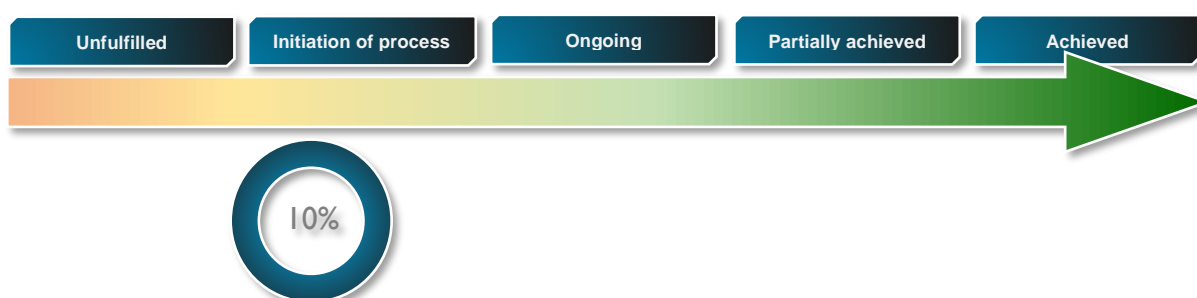
Degree of achievement

In the first quarter of 2022, AIM drafted a bill and initiated discussions with partners and relevant authorities to provide the necessary arguments and support for this initiative.

In 2022, AIM, in direct communication with its partners as well as with the Economic Council under the Prime Minister, succeeded in including the issue in the Roadmap for Reducing the Regulatory Burden on Small and Medium Enterprises for the year 2022. However, it should be noted that during the period under review it was not possible to convince decision-makers of the need to support this idea, so it remained unfulfilled.

AIM continues to believe that it is necessary to regulate the activities of self-employed persons, who currently operate in the gray area of the economy, paying no taxes and receiving only cash payments.

Evaluation of the Degree of Achievement: In light of the above, and based on Table 1 in conjunction with Figure 4, the achievement of Initiative 2 outside the Legislative Agenda is rated at **10% - process initiation stage**.



Next actions

AIM will propose the inclusion of this initiative in the National Program for the Promotion of Entrepreneurship and Competitiveness 2023-2027⁴⁰ (PACC 2027 Program) and will monitor the implementation of this important point. AIM will develop its own vision for the regulation of self-employment and will coordinate the proposed initiatives with the relevant authorities in the executive branch.

Impact

Since the initiative is at a standstill as the 2022 Roadmap has not been achieved and the initiative has not yet been included in the PACC, this action remains without impact for the time being. According to Table 2, the action falls under (cat. v) – **No assessment possible**.

Initiative 3 outside the Legislative Agenda MICROENTERPRISE TEST

During the reporting period, AIM participated in the discussions within the Economic Council under the Prime Minister on the proposal to develop the so-called Microenterprise Test (official name - Microenterprise Test Methodology and the necessary legislative amendments for its introduction and implementation).

The test can be used both in the promotion of draft legislation and in the evaluation of existing legislation. The test allows for the identification of impacts on micro-enterprises, their disproportionality by comparing relative impacts with those on large enterprises, and provides for the consideration of a range of measures to reduce impacts. Subsequently, with the coordination of the MSME Advisory Council, legislative proposals will be collected to be screened/evaluated through the lens of the Micro-Enterprise Test. The list of laws will be prepared according to their priority and the evaluation will be coordinated by the ministries responsible for the laws. Based on the results of the evaluation, legal amendments will be drafted and promoted.

⁴⁰ https://particip.gov.md/ro/document/stages/*/10263

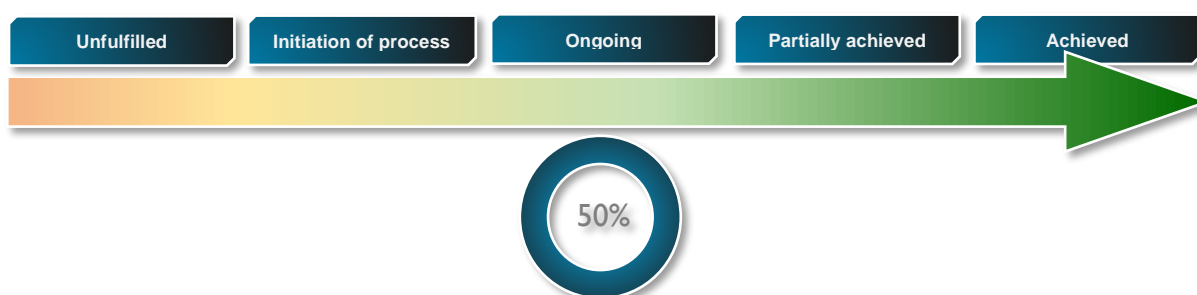
Degree of achievement

For the purpose of this action, AIM cooperated with the Economic Council under the Prime Minister in discussions on the platform of the Advisory Council for MSMEs. As a result, the initiative for the development of the methodology for the examination of microenterprises and the regulatory changes necessary for its implementation was included in the Roadmap for the Reduction of the Regulatory Burden on Small and Medium Enterprises for 2022⁴¹.

The aforementioned roadmap is an operational document developed for a short period of time (up to one year) with a set of priority actions agreed upon by the members of the Advisory Council of MSMEs, including its Chairman (Minister of Economy) and Vice-Chairman (Director of AIM). The purpose of the document is to ensure greater participation and ownership by authorities and other stakeholders to identify and promote immediate and short-term solutions to reduce the regulatory burden on SMEs.

This action is included in Roadmap 4. It should be noted that the action is currently being worked on by the Economic Council under the Prime Minister. An expert has been hired to prepare the initiative. Once a viable concept has been developed, the form of the legal act approving the methodology will be decided.

Evaluation of the Degree of Achievement: In light of the above, as well as based on the Table 1 combined with Figure 4, the implementation of Initiative 3 outside the legislative agenda is assessed at a degree of **50% - Ongoing**.



Next actions

During the next monitoring period, AIM intends to be in permanent contact with the subjects involved in the elaboration process, as well as with the decision-makers who will later have to approve the methodology, all with the aim of an efficient implementation of the action.

Impact

As the initiative has not yet been approved and is not yet in force, this action has no impact for the time being. According to Table 2, the action falls under **(cat. v) - No assessment possible**.

Initiative 4 outside the Legislative Agenda SIMPLIFYING LABOUR LEGISLATION FOR SMEs

During the period under review, AIM was involved in the revision of labor legislation to simplify requirements for microenterprises. The Labor Code contains a number of requirements and some conditions that are difficult for micro-enterprises to meet or that impose a disproportionate burden on them compared to large enterprises. The most burdensome requirements are identified and the appropriateness of reviewing them for micro-enterprises is examined. The AIM has also examined the appropriateness of developing a section in the Labor Code dedicated to the regulation of labor relations for micro-enterprises.

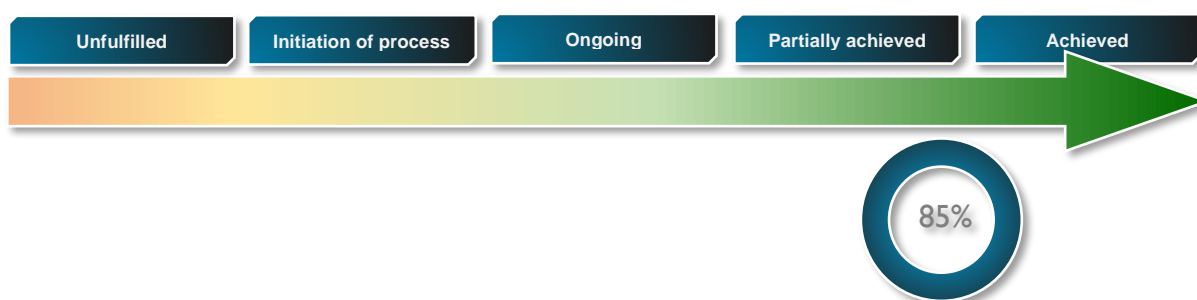
⁴¹ <https://consecon.gov.md/wp-content/uploads/2022/07/Foia-de-parcurs-masuri-IMM-28.04.2022-.pdf>

Degree of achievement

Following discussions with the relevant authorities, the AIM succeeded in presenting the necessary arguments and raising the issue. AIM's initiative was partly reflected in the Law No. 112 of 11.05.2023⁴² on the amendment of some normative acts, which was approved in both readings by the Parliament.

However, the law does not include all the proposals made by AIM, so the action was only partially successful.

Evaluation of the Degree of Achievement: In light of the above and based on Table 1 in conjunction with Figure 4, the achievement of Initiative 4 Outside the Legislative Agenda is rated as **85% - Achieved**.



Next actions

In the coming period, AIM intends to propose a new series of amendments to the Labor Code aimed at facilitating the work of SMEs.

Impact

The impact of the initiative in terms of the degree of implementation, the next actions and the deadlines for the implementation of the secondary framework, all reported in Table 2, is rated - (cat. iii) - Low.

Initiative 5 outside the Legislative Agenda METHODOLOGIES FOR FINDING NON-COMPETITIVE MARKET

During the monitoring period, AIM was involved in the discussion on the importance of developing a methodology to identify the non-competitive nature of the market and to identify interventions to stimulate competition. It is proposed that the methodology be developed on the basis of international best practice in this area. For example, market elements that characterize the level of competition, such as variety, prices and quality of products and services, could be examined in comparison with the situation in other countries and hypothetical simulations could be carried out. For example, higher prices compared to other countries would indicate competition problems. An alternative way to identify problems would be to simulate the value chain to determine a hypothetical price that is reasonable and characteristic of a competitive environment. The large difference between the hypothetical price and the actual price would indicate the existence of problems.

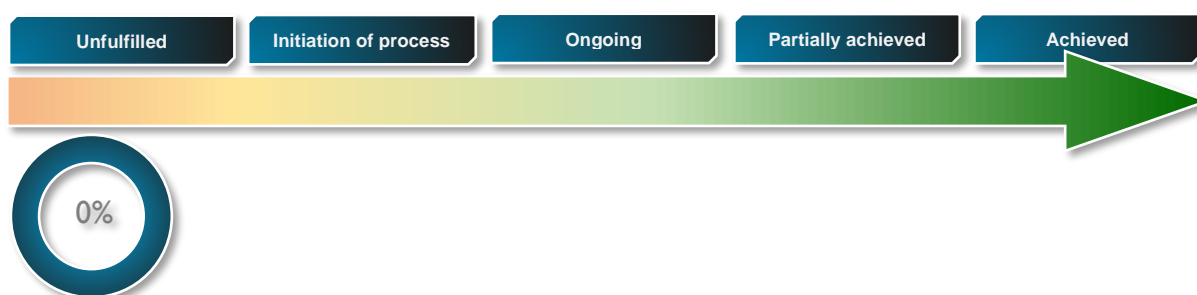
After the multilateral examination of the problems mentioned, proposals on priority sectors will be collected in the framework of the Advisory Council of MSMEs to be evaluated by applying the developed mechanism. The evaluation will be coordinated by the ministries responsible for the sectors concerned. Based on the results of the evaluation, regulatory changes will be developed and promoted in order to reduce barriers to competition and stimulate it.

⁴² https://www.legis.md/cautare/getResults?doc_id=137142&lang=ro

Degree of achievement

This action was included in the Roadmap for Reducing the Regulatory Burden on Small and Medium-Sized Enterprises⁴³. by 2022, but it has not been achieved and the deadline for the Roadmap has expired. This makes the status of the action uncertain until it is clear whether or not it will be included in the PACC.

Evaluation of the Degree of Achievement: Considering the above, as well as based on the Table 1 combined with Figure 4, the implementation of Initiative 5 outside the Legislative Agenda is evaluated at a level of **0% - Unfulfilled**.



Next actions

In the next monitoring period, AIM intends to put this issue on the agenda for discussion. The next step is to clarify the status and timeliness of the proposal. If the action is not reflected in a policy document or AP, AIM will keep the issue on the public agenda.

Impact

Since the initiative is at a standstill if the 2022 Roadmap has not been achieved and the initiative has not yet been included in the PACC, this action remains without impact for the time being. According to Table 2, the action falls under (cat. v) – **No assessment possible**.

6.8. ACTIVITIES, INITIATIVES AND PROPOSALS TO WHICH AIM CONTRIBUTED DURING THE MONITORED PERIOD

During the period under review, AIM was not limited to legislative initiatives and activities related to their preparation and promotion. Its efforts covered different dimensions and directions, including activities through which it contributed to and/or cooperated with other partner entities, concluded with public authorities and other stakeholders in the formulation and implementation of proposals for amending the regulatory framework, adjusting or drafting public authority policies related to SME activities, and other activities related to the processes concerned.

Due to the complexity of the work processes, but also due to the involvement of several stakeholders in the described processes, the following initiatives are listed but not evaluated for the purposes of this report. For example, during the period August 2022 - August 2023, AIM has made proposals, sent approaches or contributed to the following documents:

Activity 1.

Comments on the draft law on amendments to some normative acts (facilitation of activity of micro-businesses).

AIM welcomed the initiative of the Ministry of Economy to introduce legislative changes to apply the principle of favorable/privileged treatment for micro-enterprises in relation to existing

⁴³ <https://consecon.gov.md/wp-content/uploads/2022/07/Foia-de-parcurs-masuri-IMM-28.04.2022-.pdf>

administrative procedures, in particular to simplify requirements in the area of labor law enforcement and statistical reporting⁴⁴. As a result of the introduction of this regime for micro-enterprises, it would result in lower administrative costs for this category of entities, increased competitiveness of products and services offered on the market, the possibility of increasing turnover and sustainable development of the business environment.

Following the analysis of the draft law on the amendment of some normative acts related to the facilitation of microenterprises, proposals were made in relation to the Labor Code No. 154/2003, Law No. 93/2017 on official statistics, Law No. 287/2017 on accounting and financial reporting.

Activity 2.

AIM has sent proposals to the National Agency for Food Safety regarding the introduction of changes in the technical regulations for cider production.

The aim of local cider producers is to produce an innovative and internationally competitive product, which is not possible due to the existing regulations. In the Republic of Moldova, cider production is regulated by the GOST Standard R 51272-2008, RTD (hereinafter referred to as the Standard), which is an adoption of the Russian Federation Standard GOST R 51272-2008⁴⁵.

The standard defines cider as a wine-based beverage produced from apples with the permitted addition of pears with an alcohol concentration not exceeding 6%. Unlike technical regulations in other countries, the standard does not provide for the use of flavorings in the composition of cider (point 4.2 of the standard). This change will allow cider producers to produce and market a variety of cider products competitive with the international market, which offers consumers flavored ciders (including natural flavors) in a multitude of variants.

Action 3.

AIM formulated and sent to the Ministry of Finance proposals for the Tax and Customs Policy for 2023.

AIM has formulated and sent to the Ministry of Finance proposals on tax and customs policy for 2023. In connection with the "Announcement on the start of the public hearing of the draft law on amendments to some normative acts, concerning fiscal and tax policy measures for the year 2023", AIM has analyzed publicly available materials and has developed a number of proposals and arguments related to the initially formulated draft⁴⁶.

Action 4.

AIM advocates the removal of barriers to the development of e-commerce for export

AIM participated in the public consultations organized by the Parliament of the Republic of Moldova on the Budgetary Policy for 2023. AIM raised several barriers to the development of e-commerce and advocated for legislative changes that would facilitate e-commerce, especially for SMEs⁴⁷:

1. The cumbersome and unfriendly procedure for the application of VAT on the reimport of packages in the case of e-commerce, which, according to international data, amounts to 20-30% of sales.
2. The need to present (electronically or holographically) signed confirmations from purchasers for digital products (software, games, various digital applications and services) sold and paid for entirely online. This obligation is provided for by art. 32, par.

⁴⁴ <https://sme.md/aim-a-expediat-o-scrisoare-de-pozitie-ministrului-economiei-cu-comentarii-la-proiectul-de-lege-pentru-modificarea-unor-acte-normative/>

⁴⁵ <https://sme.md/aim-a-expediat-o-scrisoare-directorului-agentiei-nationale-pentru-siguranta-alimentelor-cu-refererire-la-producerea-cidruului/>

⁴⁶ <https://sme.md/demers-propunerile-de-politica-fiscala-si-vamala-2023/>

⁴⁷ <https://sme.md/aim-pledeaza-pentru-eliminarea-barierele-pentru-dezvoltarea-comertului-electronic-la-export/>

2, lit. a) of the Regulation on VAT refund, approved by Government Decision No. 93/2013, confirming the right to VAT refund for the supply of services.

In this context, AIM has submitted a position letter with solutions for intervention in the regulatory framework in order to adjust the tax policy for the year 2023, with the aim of stimulating e-commerce.

Action 5.

AIM sent a position letter on amending the law on payment for environmental pollution.

The AIM team has sent a comment letter to the Ministry of the Environment regarding the draft amendment to Law 1540/1998 on the Payment for Environmental Pollution, which is the subject of public discussion. AIM expressed its concern about some of the proposed amendments to the law which, in AIM's opinion, do not meet a minimum level of justification in the context of a significant impact on a large number of companies that import goods in plastic packaging. These companies are members of AIM.

AIM has requested⁴⁸ that the modification of the tax on the environmental impact of packaging, provided for in Article 11.4.2 of Law 1540/1998, be made only on the basis of well-founded studies capable of providing a justification and reasoning for the regulatory act that meets the requirements of the Administrative Code, the European requirements for the predictability of the law and the State's policy of creating a favorable environment for business.

Action 6.

Beer producers in the IMA community have developed a common position on the legislative changes needed for this sector.

One of the main topics of the discussion was the legal framework applicable to small and medium-sized beer producers. AIM members stressed the need to encourage innovation in this sector and respect the principle of non-competition⁴⁹. They also called for greater flexibility in terms of regulations and fees applicable to small and medium-sized brewers.

On the other hand, AIM members recognized the importance of meeting quality and food safety standards in beer production. In this regard, they asked for support from public authorities in developing and implementing appropriate standards for small and medium-sized brewers.

In conclusion, AIM members specialized in beer production have developed a common position on the legislative changes needed in this sector. The AIM team remains committed to promoting and supporting small and medium-sized enterprises in Moldova, including craft beer producers.

Action 7.

AIM sent out a position letter to stimulate the activity of small entrepreneurs.

AIM has sent a position letter to the Prime Minister with recommendations to support small producers in the food industry. According to AIM's study on small producers in 2022, as well as discussions and meetings with AIM members, a number of systemic problems related to the activity of small producers in the food industry have been identified⁵⁰.

AIM has therefore developed a set of solutions that represent an important step towards improving working conditions and ensuring food security in the food industry. The impact of implementing the proposed solutions will be to reduce informal activity in the industry, increase production volumes and create new jobs in the food sector. Promoting the production and sale of local products will also stimulate the development of the rural economy and reduce

⁴⁸ <https://sme.md/aim-a-expediat-o-scrisoare-de-pozitie-referitor-la-modificarea-legii-privind-plata-pentru-poluarea-mediului/>

⁴⁹ <https://sme.md/producatorii-de-bere-din-comunitatea-aim-au-elaborat-o-pozitie-comuna-privind-modificarile-legislative-necesare-acestui-sector/>

⁵⁰ <https://sme.md/aim-a-expediat-o-scrisoare-de-pozitie-pentru-stimularea-activitatii-micilor-antreprenori/>

dependence on food imports. This could have a positive impact on the national economy and trade balance.

Action 8.

AIM made recommendations on the draft decision on the Regulation on the Definition, Description, Presentation and Labeling of Alcoholic Beverages.

AIM sent a position letter to the Ministry of Agriculture and Food Industry on the adoption of the Regulation on the Definition, Description, Presentation and Labelling of Alcoholic Beverages. In the context of the need to harmonize national legislation with European standards in the field of alcoholic beverages, but also to promote the interests and be in step with the new realities of alcoholic beverage producers in the Republic of Moldova, AIM has come up with several proposals and comments⁵¹.

AIM believes that their adoption and implementation will contribute to the improvement of the business environment for producers of alcoholic beverages, to the diversification of local production and to the promotion of specific products of the Republic of Moldova.

Action 9.

AIM sent out a position letter to Prime Minister on 373 Program.

AIM appreciates the efforts made by the Government in developing the "373" Program, which has the potential to support and encourage development and innovation in the small and medium-sized enterprises sector and after an analysis of the draft Government Decision approving the "373" Program, that is why I sent a position letter to the Prime Minister.

At the same time, AIM expresses its intention to participate in any subsequent consultations to improve the "373" Innovation Investment Incentive Program. We are convinced that a close collaboration between the business environment and the authorities will lead to positive results and strengthen the SME sector in the Republic of Moldova⁵².

Action 10.

AIM has sent a position letter, with recommendations for fiscal and customs policy 2024.

AIM has sent a position letter to the Ministry of Finance with recommendations for fiscal and customs policy for 2024⁵³. AIM appreciates the fact that the project has been subject to public consultations, as this strengthens the dialogue between entrepreneurs and authorities. At the same time, AIM encourages transparency and participation of more companies in the decision-making process. Following consultations with its members, AIM came up with proposals and recommendations that will contribute to stimulating economic growth and strengthening the SME sector in the Republic of Moldova.

Action 11.

AIM sent a position letter requesting a reduction in the excise duty rate for cider and pear.

AIM has sent a position letter to the Ministry of Finance, through which it comes with recommendations for amending some normative acts regarding fiscal and customs policy. One of the main proposals coming from AIM aims to establish the excise duty rate for apple and

⁵¹ <https://sme.md/aim-a-venit-cu-recomandari-pentru-proiectul-de-hotarare-cu-privire-la-regulamentul-despre-definirea-descrierea-prezentarea-si-etichetarea-bauturilor-alcoolice/>

⁵² <https://sme.md/aim-i-a-expediat-premierului-o-scrisoare-de-pozitie/>

⁵³ <https://sme.md/aim-a-expediat-o-scrisoare-de-pozitie-cu-recomandari-pentru-politica-fiscala-si-vamala-2024/>

pear cider, in accordance with Annex no. 1 of the Government Decision approving the draft law amending certain normative acts on fiscal and customs policy⁵⁴.

The justification behind this proposal is based on the crucial role that cider and pear producers play in developing the rural economy and promoting indigenous products. However, these manufacturers already face numerous difficulties and obstacles in developing and promoting their products.

Action 12.

AIM has submitted proposals for the PACC 2027 national program.

In the context of public consultations announced by the Ministry of Economic Development and Digitalization, the AIM team sent a letter with proposals for the National Program for Promoting Entrepreneurship and Increasing Competitiveness in 2023-2027 (PACC 2027).⁵⁵

Action 13.

AIM came up with proposals for the draft law on cash settlements.

AIM sent a position letter on August 28, 2023, to the Ministry of Finance regarding the Cash Settlement Bill⁵⁶.

AIM's position letter included a number of comments and proposals to amend or supplement this draft law, stressing the importance of a balanced approach and an effective regulatory framework for managing cash transactions. AIM stresses the importance of public-private collaboration to ensure effective implementation of reforms in electronic payments and reducing cash use.

Action 14.

AIM has submitted proposals for deregulation package No. 4.

Following the announcement of public consultations on the draft normative act on the "deregulation package no. 4", on August 28, the AIM team sent a position letter to Dumitru Alaba, Minister of Economic Development and Digitalization.⁵⁷

7. FINDINGS

Following the analysis of the activities and participation of the IAW in the decision-making processes and interaction with public authorities in order to implement the Legislative Agenda during the period under review, we find the indicators listed in Table 4. To accurately present the findings in this chapter, the indicators in Table 4 should be read in conjunction with the data in Charts 1-4.

Rate of implementation of actions/activities of the Legislative Agenda - Following the evaluation of the activities and actions carried out, the involvement of AIM in the implementation of as many legislative initiatives as possible is well advanced. There are at least two reasons for this. First, in addition to the agenda set at the beginning of the period, AIM has been actively involved in additional activities and initiatives that have been assigned to the "Other" pillar during the period under review (paragraph 6.7. and Table 4). Secondly, the overall rate of implementation of the actions in its Legislative Agenda is 85% (Chart 1), which is a significant indicator.

⁵⁴ <https://sme.md/aim-a-expediat-o-scrisoare-de-pozitie-cu-solicitarea-de-reducere-a-cotei-de-acciz-pentru-cidru-de-mere-si-pere/>

⁵⁵ <https://sme.md/aim-a-expediat-propuneri-pentru-programul-national-pacc-2027/>

⁵⁶ <https://sme.md/aim-a-venit-cu-propuneri-pentru-proiectul-de-lege-privind-efectuarea-decontarilor-in-numerar/>

⁵⁷ <https://sme.md/aim-a-expediat-propuneri-pentru-pachetul-de-dereglementare-nr-4/>

Degree of achievement of actions - The results of the evaluation show an advanced degree of achievement of the actions that the AIM set itself at the beginning of the monitoring period, as shown in Table 4. At the same time, it should be noted that out of the total number of AIM actions/initiatives, 15% have achieved status, 20% have partially achieved status, 40% are in progress, 5% of initiatives are at the initiation stage and 20% have not achieved status (Chart 2).

Impact of the fulfilled actions - the impact of the legislation adopted / approved as a result of the involvement of the AIM in the public consultation and decision-making process is of particular importance for SMEs. The impact assessment for the purposes of this report has been evaluated according to the methodology and Table 2, and the impact of the normative act on facilitating the activity and defending the interests of SMEs in the Republic of Moldova. Thus, from the total number of fully implemented legal acts, 33% have a great impact on the activity of SMEs, 50% have a medium positive impact, and only 17% have a small positive impact (Table 3).

Achievement rate of each pillar of the Legislative Agenda - Following the evaluation, we obtain an overview with specific indicators related to each pillar of the AIM Legislative Agenda. These indicators can be considered when drafting the Legislative Agenda for the next period. As we can see in Figure 4, Pillar 1 of the IIA Legislative Agenda is achieved at a level of 53%, Pillar 2 - 80%, Pillar 3 - 93%, Pillar 4 - 80%, Pillar 5 - 31%. It should be noted that measures that were not originally on the Legislative Agenda but came to AIM's attention during the monitoring year are included in the "Other" category (Table 4). Their implementation amounted to 56%.

Table 4

Findings on the degree of implementation of the AIM’s Legislative Agenda activities: August 2022 – August 2023						
P/A	Action’s Status					Impact
	Unfulfilled	Process initiation stage	Ongoing	Partially Achieved	Achieved	
Pillar 1						
1.1.			60%			-
1.2.			50%			-
1.3.			50%			-
Pillar 2						
2.1.			60%			-
2.2.					100%	Medium Impact
Pillar 3						
3.1.				85%		Medium Impact
3.2.					100%	Major Impact
Pillar 4						
4.1.			60%			-
4.2.	0%					-
4.3.					100%	Medium Impact
Pillar 5						
5.1.			50%			-
5.2.	0%					-
5.3.	0%					-
5.4.	5%					-
5.5.					100%	Major Impact
Others						
6.1.				85%		-
6.2.		10%				-
6.3.			50%			-
6.4.				85%		Low Impact
6.5.			50%			-

8. RECOMMENDATIONS

Following the monitoring and evaluation of legislative initiatives and/or proposals to change public policies or action plans of public authorities whose activities have an impact on the business environment in general and on micro and small enterprises in particular, drafted or proposed by AIM, the following recommendations are proposed in Table 5.

General recommendation*

It is recommended that AIM supports the promotion and implementation of the Regulatory Impact Analysis mechanism foreseen in national legislation. The implementation of the RIA mechanism ensures a positive impact on regulatory mechanisms in general and on the rights and interests of micro, small and medium-sized enterprises. A more active participation in this mechanism as well as in the public consultation processes of draft laws and public policies is also recommended.

The recommendations made can be taken into account when drafting the adjusted legislative agenda for the next period of AIM's activity and for the elimination of the shortcomings or barriers identified and described in this Report:

Table 5

N/O	Action No	Recommendation
PILLAR 1		
1	Action 1.1.	It is recommended to involve the AIM more actively through the channel of the Economic Council with the Prime Minister in the process of drafting amendments to the relevant legal acts, but also in ensuring the necessary legislative support for the implementation of the actions set out in the Action Plan in terms of state control and elimination of abuses in the mechanism for applying sanctions to economic operators. It is recommended to take into account the deadlines of fall 2023.
2	Action 2.1.	It is recommended to further analyze the previously conducted comparative studies of international legislation in order to select the most appropriate model, which will be exclusively or largely focused on the protection of the interests of small and medium-sized businesses. It is recommended that a new draft law be prepared and promoted by the Economic Council under the Prime Minister.
3	Action 3.1.	AIM is recommended to be in permanent contact with the Ministry of Economic Development and Digitization in the coming period to discuss and examine the possibility of including a mechanism for reporting corruption in the business sector through the mobile application recently announced by the Ministry ⁵⁸ .
PILLAR 2		
4	Action 1.2.	It is recommended that AIM develop and deliver a viable concept for this action by the end of Q4 2023 or Q1 2024. The concept developed should focus exclusively on micro and small enterprises. This can provide the necessary support.
5	Action 2.2.	It is recommended that in the coming period AIM should monitor the process of elaboration and approval of the secondary legal

⁵⁸ https://www.ipn.md/ro/evo-se-va-numi-aplicatia-care-va-contine-actele-7967_1096150.html

		framework for implementation of the legal provisions provided for by Law No. 112 of 11.05.2023 on amendments to some normative acts. If necessary, to make proposals and adjustments.
PILLAR 3		
6	Action 1.3.	The AIM is recommended to monitor the implementation process of the new legislation in the coming period, once it has been published and entered into force. Based on the results of the monitoring, the IAW is recommended to make proposals and comments in order to improve the regulations if certain omissions or situations requiring action are detected.
7	Action 2.3.	<p>Considering that the consumer protection in the field of credit has recently been transferred to the CNPF with the approval of Law 175/2023⁵⁹, the AIM is recommended to cooperate and actively participate in the public consultation process of the secondary legal framework that will strengthen the provisions of the primary framework and make the legal provisions practical and applicable.</p> <p>AIM is also recommended to analyze the existence of possible gaps or new risks for SMEs in the area of credit and to make proposals for adjustments to the legal framework.</p>
PILLAR 4		
8	Action 1.4.	The AIM is recommended to make proposals for the development of the approach contained in this action in the interest of micro, small and medium-sized enterprises. It is recommended that AIM actively participate in all rounds of public consultations and working groups for the implementation of this action.
9	Action 2.4.	It is recommended that, during the interim period, AIM maintain permanent contact with the Ministry of Economic Development and Digitization in order to discuss and identify the most effective solutions proposed to address the outlined problem, taking into account the interests of micro and small enterprises.
10	Action 3.4.	It is recommended that AIM monitor the regulatory impact of the new amendments to Law 135/2007 and come back in the next period with comments and, if necessary, with proposals for adjustments, in the sense of including its proposals that were not taken into account in the previous round, but also new proposals to eliminate the gaps that will be identified.
PILLAR 5		
11	Action 1.5.	In the next monitoring period, it is recommended that AIM formulate a clearer concept for the current action and discuss it with its members and partner organizations with a view to building a broader coalition before starting discussions with the Ministry.
12	Action 2.5.	In the next monitoring period, it is recommended that AIM formulate a clearer concept for the current action and discuss it with the Ministry of Economic Development and Digitization and the Ministry of Energy of the Republic of Moldova.
13	Action 3.5.	In the next monitoring period, the AIM is recommended to formulate a clearer concept in parallel with the previous action (Pillar 5 Initiative 2) and to discuss it with the relevant authorities.

⁵⁹ https://www.legis.md/cautare/getResults?doc_id=137796&lang=ro

14	Action 4.5.	AIM is recommended to formulate a clearer concept, supported by a broad coalition of the business community, in relation to the current action and raise it with the Ministry of Finance.
15	Action 5.5.	AIM is recommended to monitor the implementation process of the new legislation. Based on the results of the monitoring, it is recommended that AIM submit its proposals and comments (amendments) to improve the regulations if certain omissions or situations requiring intervention are identified.
OTHERS		
16	Action 1. others	AIM is recommended to continue to actively participate in the development of the secondary legal framework with a view to creating a favorable legal framework for small producers in the Republic of Moldova and to monitor the examination path of the primary legal framework introduced in Parliament for debate. If necessary, to formulate written requests to the relevant commission.
17	Action 2. others	It is recommended that AIM propose the inclusion of this initiative in the National Program for Promoting Entrepreneurship and Increasing Competitiveness in 2023-2027 ⁶⁰ (PACC Program 2027) and monitor the execution of this important point. It is recommended that AIM come up with its own vision of regulating the activity of freelancers and coordinate with the competent authorities of the Executive the proposed initiative.
18	Action 3. others	In the next monitoring period, AIM is recommended to be in permanent contact with the subjects involved in the elaboration process as well as with the decision makers who will later be determined to approve the Methodology, all to efficiently achieve the action.
19	Action 4. others	It is recommended that AIM submit a new set of adjustments to labor legislation aimed at facilitating the work of SMEs.
20	Action 5. others	It is recommended that AIM bring this topic on the agenda and ensure that it remains active. The status and timeliness of the proposal will be clarified. If the action is not in a policy document or PA, AIM to keep the topic on the public agenda.

⁶⁰ https://particip.gov.md/ro/document/stages/*/10263

9. CHARTS

Chart 1

Degree of participation in the implementation of the actions

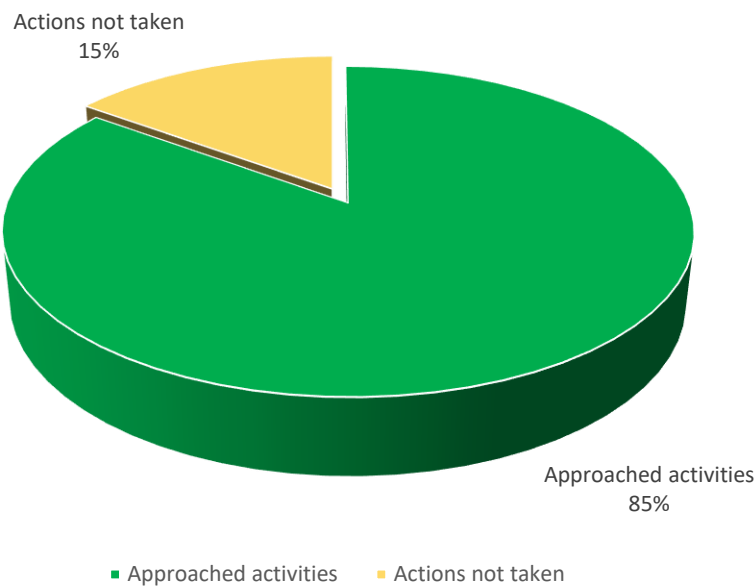


Chart 2

Degree of actions' implementation

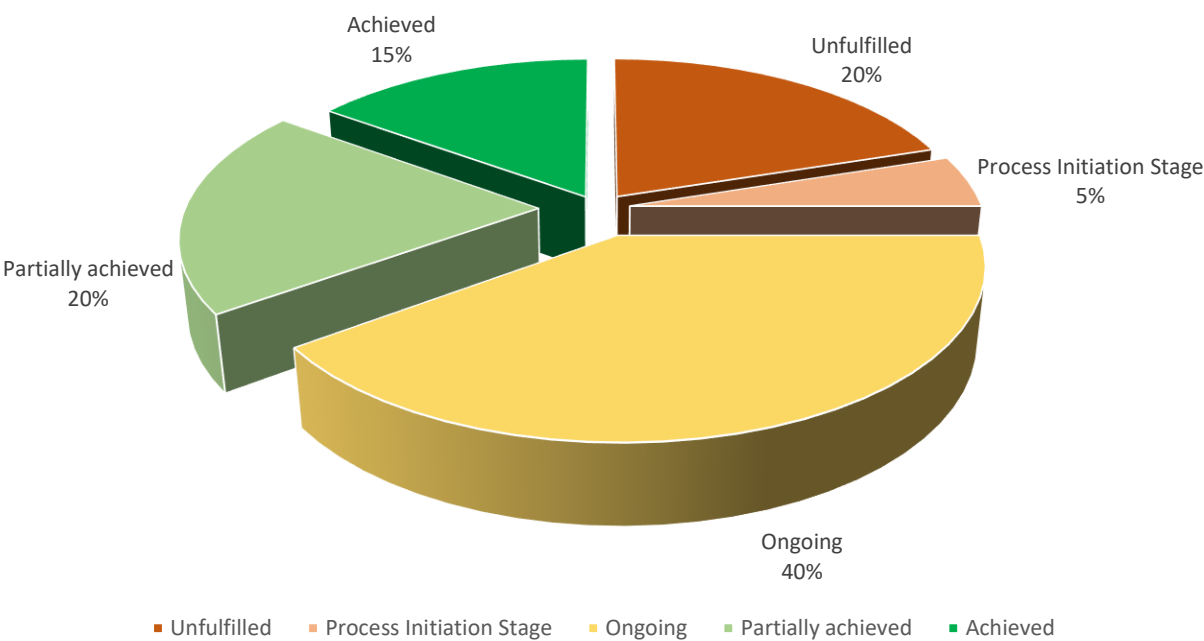


Chart 3

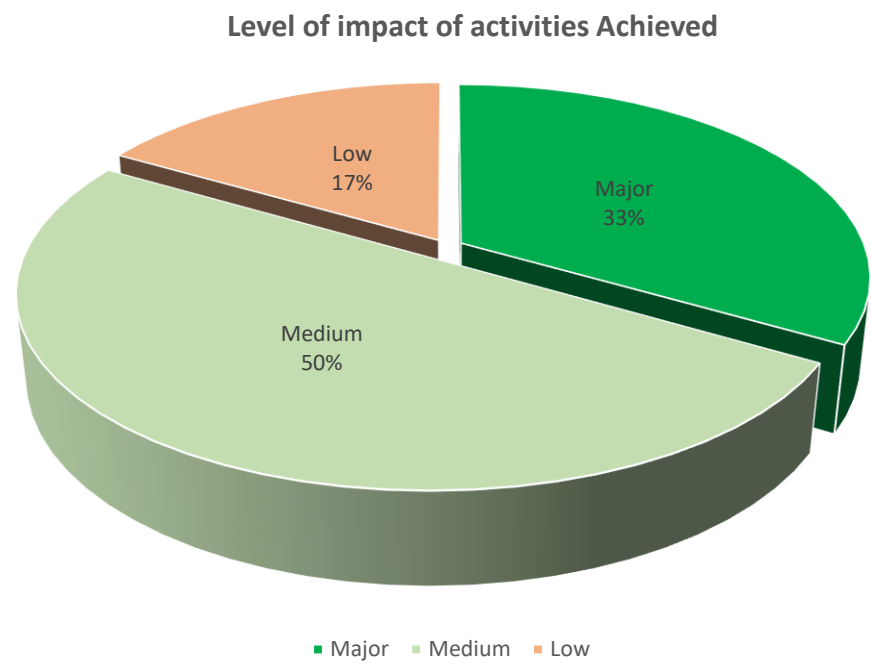


Chart 4

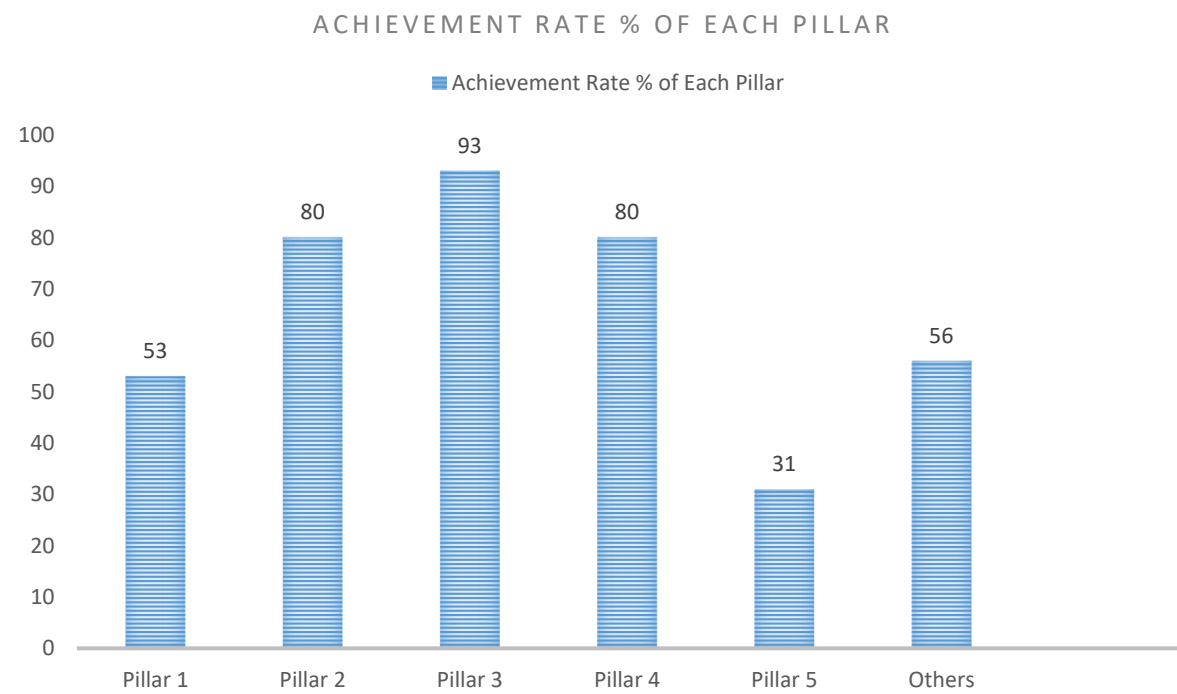


Chart 5

AIM initiatives in relation to the total number of projects voted by Parliament in the second half of 2022

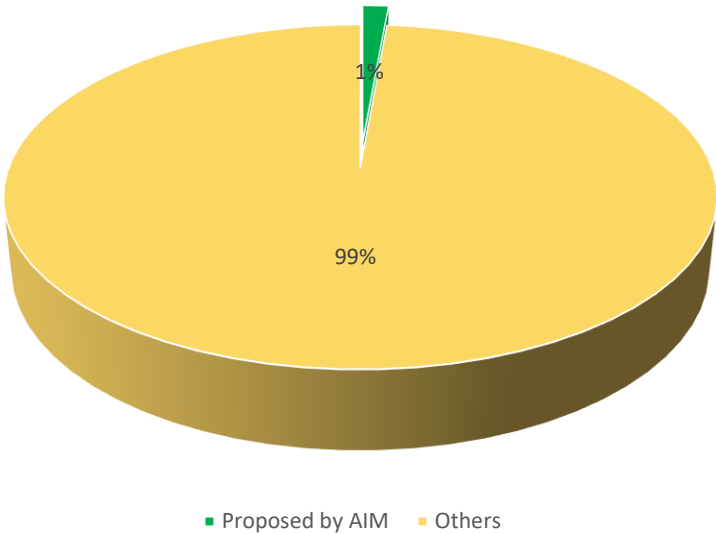
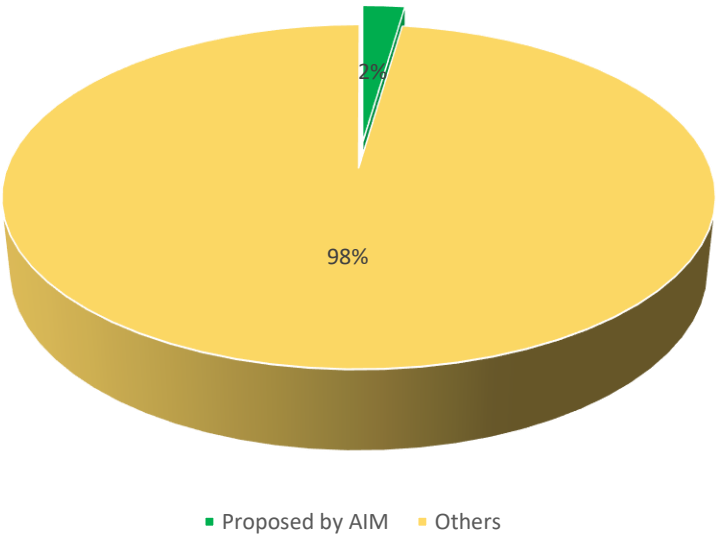


Chart 6

AIM initiatives in relation to the total number of projects voted by Parliament in the first half of 2023





The Report was elaborated with the support of the Center for International Private Enterprise and the Swiss Government as part of the "**Optim Project** - Opportunities through Technology and Innovation in Moldova", implemented by HELVETAS Swiss Intercooperation.

The views expressed in this Report are solely those of the authors. They can in no way be interpreted as reflecting the opinion and position of the Center for International Private Enterprise (CIPE) and/or the OPTIM Project of the Swiss Agency for Development and Cooperation, implemented by Helvetas Swiss Intercooperation.

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