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BUSINESS REGULATORY, INVESTMENT, AND TRADE ENVIRONMENT PROGRAM

**YEAR 3 ANNUAL REPORT
OCTOBER 2014 – SEPTEMBER 2015**

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BUSINESS REGULATORY, INVESTMENT, AND TRADE ENVIRONMENT PROGRAM

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ACRONYMS AND TERMS

AA	Association Agreement
AEI	Alliance for European Integration
AEO	Authorized Economic Operator
AITA	Association of International Automobile Transporters
AmCham	American Chamber of Commerce
ANSA	National Food Safety Agency
APA	Academy of Public Administration
ASYCUDA	Automated System for Customs Data
ATIC	Association of Private IT Companies
BCP	Border Crossing Point
BizCLIR	Business Climate, Legal, and Institutional Reform
BIZTAR	Business Regulatory and Tax Administration Reform
BRC	Business Research Company
BRITE	Business Regulatory, Investment, and Trade Environment Program
CISC	Citizen Information and Service Center
CNAS	National Social Insurance House
CPAS	Social Insurance Personal Number
CRIS	Centrul Resurselor Informativale de Stat (Resource Center for State Information)
CRM	Compliance Risk Model
DCFTA	Deep and Comprehensive Free Trade Agreement
DCOP	Deputy Chief of Party
DG	Director General
EBA	European Business Association
e-Gov	E-Government Center
EIF	Economic Integration Forum
EUBAM	European Union Border Assistance Mission to Moldova and Ukraine
FEZ	Free Economic Zone
FSI	FiscServInform
GOM	Government of Moldova
HLRMG	High Level Risk Management Group
HS	Harmonized Commodity Description and Coding System

ICP	Inland Customs Point
IDNP	Personal Identification Number
IFC	International Finance Corporation
IMF	International Monetary Fund
IPR	Inward Processing Relief
LGSP	USAID Local Government Support Project
MCS	Moldova Customs Service
MOE	Ministry of Economy
MOF	Ministry of Finance
MSTI	Main State Tax Inspectorate
NBS	National Bureau of Statistics
NCFM	National Commission on Financial Markets
NCTS	New Computerized Transit System
OSS	One-stop-shop
PMEP	Performance Monitoring and Evaluation Plan
RFP	Request for Proposals
RIA	Regulatory Impact Assessment
Sida	Swedish International Development Cooperation Agency
SCP	Simplified Clearance Procedures
SRC	State Registration Chamber
STS	State Tax Service
TAB	Trading Across Borders (World Bank “Doing Business”)
TARIC	Integrated Tariff of the European Communities (TARIC)
UNCTAD	United Nations Conference on Trade and Development

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SECTION I - INTRODUCTION

The BRITE program has concluded its third year of implementation, which spanned the period from October 2014 through September 2015. This report details objectives, activities, and results during this reporting period. BRITE has been working since June 2012 in the following focus areas: tax administration and trade facilitation (which together make up Component 1 of the project), high-impact regulatory reforms (Component 2), and strategic communications (Component 3).

Through its *tax administration* activities, BRITE is assisting the State Tax Service (STS) to streamline its tax payment and tax administration systems. By optimizing tax administration procedures, BRITE is reducing compliance costs for the private sector, while increasing revenues for the public sector. Through its *trade facilitation* activities, the project is supporting the Moldova Customs Service (MCS) and other Government of Moldova (GoM) trade-related agencies to optimize the trade regulatory framework for ease of doing business; make the implementation of trade and customs regulations more transparent, and reduce the time and cost of moving goods across borders. BRITE is also working on *high-impact regulatory reforms* by assessing critical reform needs and advancing them through institutionalized processes, capacity building, and technical assistance. Finally, through its *strategic communications* program, BRITE is facilitating public discourse on business-friendly reforms. The project is building the strategic communications capacity of its GoM counterparts to enhance their external communications to the private sector and the general public. Additionally, BRITE improve GoM internal communications to encourage and empower civil servants to enact and implement reforms.

Year 3 High Level Results

- Moldova's Ease of Doing Business ranking slips to **52** in 2015 from **49** in 2014, but improvements are recognized in key areas.
- "Starting a Business" improves to **26** from **35**
- Moldova ranks in the **top 10%** in "Trading Across Borders"
- Monetized benefits to the private sector exceed USD 190 million to date.

BRITE's Year 3 was marked by heightened political uncertainty in Moldova. In November 2014, Moldovans voted for pro-EU parties, but only by a small margin, and, initially, only a minority coalition was formed and a Government approved in February 2015. The delay in forming the government also delayed some of BRITE's legal initiatives since some draft laws and decisions were recalled for review by the new Cabinet. The disappearance of 1/8 of Moldova's GDP through fraudulent bank loans exacerbated political tensions. In June 2015 the Prime Minister and the entire cabinet resigned after four months in office. A new cabinet was appointed near the end of the project year, but as of the date of this report that Government was just dissolved by a vote of no confidence in the Parliament.

BRITE implemented most of its planned activities for Year 3, and advanced many others to the point they only require a decision of the Government or Parliament to trigger implementation. In tax administration, we completed our planned enhancements to the Current Account including the online e-certificate of no debts, which should eliminate the need for paper certificates in most cases. The single payment concept was approved by all stakeholders and the technical solution is being reviewed by all parties now before development begins. In trade facilitation, MCS agreed to slash the official number of documents for import and export to three (11 documents had previously been required for

import and 8 for export). The Blue Lane customs channel was introduced and has already led to reductions in controls at the border. The same is true for the introduction of the Authorized Economic Operator (AEO) program. E-Import declarations were introduced this year, and though their numbers are small they continue to grow. We also expanded our support to MCS in the area of customs valuation, an area of deep concern for the private sector, and new valuation procedures are now pending Government approval that should improve the situation and create more opportunity for BRITE support. Finally, to help ensure streamlined processes are adhered to, we developed with MCS a series of internal procedure manuals, each of which were then developed into online guides for businesses. In the area of regulatory reform, our progress was frustrated by the parliamentary campaign and election in late 2014 and the constant changes in Government and the uncertainty that naturally creates. Despite this, we were able to advance nearly all of our legal initiatives to the point where they require only a final approval by the Cabinet and, in a few cases, approval by Parliament. In anticipation of these imminent approvals, we have already prepared technical terms of reference for each initiative that requires an IT solution to fully implement. One concrete achievement is that Parliament did approve BRITE's proposal to amend the Joint Stock Company law in accordance with best practices for protecting minority shareholders. Our strategic communications activity continued its impressive work to raise awareness and drive implementation of project achievements and to improve the communications capacity of our key partners, particularly in the areas of customs and trade facilitation. Our activities also have furthered our goal of increasing the accountability of government by civil society and the media through our revamped Business Media Program. Our new media partners are learning more about the issues the project is tackling and their potential impact, and are developing more investigative and probing pieces. We have also embarked on an exciting new partnership with a creative design firm and PR company to develop a series of media campaigns and messages around key BRITE reform initiatives that will launch in the coming year.

In June 2015, BRITE performed a comprehensive assessment of the business environment in Moldova and its ongoing activities. The purpose was to identify gaps in donor programs and our technical assistance, and determine what high-impact areas we could address in the Year 4 work plan. The report focused on the major areas covered by the World Bank Doing Business survey and paid particular attention to Moldova's commitments within the EU-Moldova Association Agreement and the Deep and Comprehensive Free Trade Area. The report was completed in July 2015 and shared with the USAID Moldova Country Office and the USAID Office of Trade and Regulatory Reform. Some activities identified already have been initiated.

Project Organizational Structure

In Y3 BRITE has made some adjustments to its long-term staffing structure to best accommodate the requirements of the technical work under our project components. The project is led by the chief of party (COP), Mr. Kelly Seibold, and supported by the deputy chief of party (DCOP), Ms. Eugenia Stancu. BRITE's Component 2 activities continue to be led by legal advisor, Mr. Alexandru Savva. Trade and Customs reform activities are led by Mr. Eduard Sirbu. Since this component continues to take on additional activities, BRITE has brought on Trade Advisor Valentin Armas in a full-time capacity as of October 2015 to support Mr. Sirbu. Mihai Bologan continues to maintain responsibility for the project's monitoring and evaluation (M&E). Strategic communications advisor, Ms. Olesia Galusca, was on maternity leave for approximately one year, and has since come back in a part-time capacity, with an increasing role anticipated till the project close-out. Communications are

also supported by the recently hired specialist Patricia Zghibarta, who has replaced Ruxanda Nedelciuc in this role following the latter's enrollment in a graduate program. Additionally, BRITE has brought on ICT specialist Oleg Sirbu full-time to support the project's increased activities in this technical area in its final year.

We also are supported by our main subcontractor, the Economic Integration Forum (EIF), which has continued to supply excellent technical expertise in our customs work in Y3. To accommodate EIF customs expert Nigel Moore's increased role on BRITE, the project has increased the EIF subcontract ceiling, which will accommodate regular assignments to assist the MCS through BRITE's final year. In part through our Moldova Partners Fund (MPF), we leverage the expertise of a cadre of qualified consultants, consulting firms, law firms, and non-governmental organizations (NGOs) to complement the BRITE team and lead reform efforts. This structure has supported our demand-driven approach and our emphasis on capacity-building and sustainability of the reform process. BRITE's current organizational structure is included in Annex A.

Year 3 Financial Expenditures

Details on financial expenditures in Year 3 (October 2014 – September 2015) may be found in Annex B attached. This financial chart details the monthly spending by cost category.

SECTION II – DETAILED TECHNICAL ACTIVITIES BY COMPONENT

A. Component 1: Tax Administration and Trade Facilitation

A1. Project Intermediate Result 1.1: Improved tax administration reduces the administrative burden of paying taxes while increasing revenue collection

The decision to streamline our assistance to the STS and focus on areas not requiring changes in primary legislation served us well this year. We were able to complete additional enhancements to the Taxpayer Current Account that are now being rolled out, and we have consensus among all stakeholders to begin developing a consolidated payment mechanism for taxpayers using the E-Government Center's Mpay feature. Based on these achievements, we now have agreed to support STS to modify the Current Account to incorporate new budget classifications in 2016, develop a data exchange with Customs to enhance their risk assessment capabilities, and perform a tax gap analysis in Year 4.

Year 3 Key Results

- Taxpayer Current Account improved, including introduction of the online taxpayer e-certificate of no-debts.
- Concept of a single payment approved by STS, Ministry of Finance and Treasury
- The number of official documents required for import and export clearance reduced from 11 to 3.
- The Blue Lane customs channel implemented.
- Introduction of E-Import Declarations
- Introduction of EU simplified procedures and Authorized Economic Operator

Support the STS to enhance the Taxpayer Online Current Account to the benefit of taxpayers and the STS

As part of its tax administration reform efforts, BRITE has supported the development of the Online Taxpayer Current Account (Current Account). Online access to taxpayer accounts is expected to save taxpayers time and money, eliminate the need for direct interaction with tax authorities, and provide a mechanism for public authorities to access tax information directly online without requesting it from taxpayers. The Current Account will also provide a higher level of transparency by ensuring that both taxpayers and tax inspectors have access to the same information, accounts and tax status.

This year, BRITE, together with STS and FiscServInform (FSI), finalized additional enhancements to the Current Account. These are described below.

1. The locality statistical code (unique identifier of the locality - CUIL) specifies the budgets of the first level administrative-territorial units and is used in all transactions received from the fiscal reports, treasury payment documents and from the internal documents of the STS. Prior to this enhancement there was no mechanism in place to assign the transactions a territorial statistical code and this created difficulties for the tax inspectors to identify and analyze the data per localities, and resulted in many errors. The new functionality will offer a tool for the daily activity of the STS, as well as for making easier adjustments to the distribution mechanism in case of changes in the legislation.
2. Creating an electronic register of certificates on the absence/existence of debts to the national public budget. This allows online access to the relevant data for tax inspectors and public authorities that are authorized by STS, and eliminates the need for paper certificates.

3. Tool for the generation of ad-hoc reports, based on pre-defined data sets, including options such as: filtering, selecting the columns needed to display the data, grouping the data by columns etc.
4. Elaboration of a new report on penalties that helps inspectors to make decisions that are more accurate.

Tax inspectors had been performing these tasks manually or in a semi-automatic mode. The automation of these processes will minimize the administrative burden on the tax inspectors, minimize human errors, and provide accurate data for the taxpayers that will access the current account online. The online registry for “no-debt” certificates, in particular, will save taxpayers considerable time and money by eliminating the need, in most cases, to visit the tax office and request a paper certificate that is valid for only 15 days. This now is being piloted in three public authorities and will be expanded to others in the coming year.

Streamline the tax payment system to reduce the number and frequency of individual tax payments, including social payments

In Y3 BRITE has continued its efforts to introduce a single tax payment policy. In April 2015 BRITE met with the Ministry of Finance (MoF), Treasury and STS to discuss the optimal mechanism for consolidating a set of individual tax payments into a single payment based on a consolidated invoice generated by the Current Account. Because of difficulties in getting consensus on a single account at the Treasury, all parties agreed that the MPay mechanism (mobile payments) of the E-Government Center could be used instead. Mpay is currently used for individuals and involves the same principle that links with participating banks and the Treasury. The final concept has been agreed by MoF, Treasury, STS, e-Gov and BRITE. Following this, BRITE developed the ToR for the development/implementation of the IT module to generate the Single Payment Invoice within the Taxpayer Current Account and shortly will send it to the STS, for coordination. After the approval by STS of the ToR, the IT solution could be developed and launched within 4-5 months

Identify and implement other measures to streamline tax administration

BRITE continued to promote its recommendations for streamlining the process of voluntary liquidation. However, the STS did not consider this a priority, as it was focused this year mostly on promoting a draft law to restructure the organization and its functions. In Year 4 we will attempt to address this issue through Government decision rather than amending the Tax Code.

BRITE also revisited the task to conduct a tax gap analysis. This would assist not only STS but MCS in improving their risk management by providing an objective view of likely sources and causes of revenue losses. BRITE offered to support STS to perform the analysis in Year 4 and work with them to improve their data analysis, similar to what has been done with MCS.

A2. Project Intermediate Result 1.2: Time and cost of moving goods across borders reduced

Trade facilitation continued to account for most of the reforms and impact of the project in Year 3. This year we continued our work in risk management and expended in new areas related to the DCFTA, like integrated tariffs, valuation and AEOs, all of which involved the engagement of EU customs and trade advisors, which was highly appreciated by the Moldova Customs Service (MCS). We also committed to develop and enhance MCS’ IT capabilities to help fully implement some of these reforms, and started producing and sharing more information on key customs processes with the private sector. MCS continue to be a good

partner in initiating and supporting trade facilitation reforms. These activities and accomplishments are described in more detail below.

A2a. Introduce Refined Compliance Risk Model

The support provided to the Moldovan Customs Service (MCS) during the last year has been multifaceted and aimed at enhancing the operational risk management capacity of the organization in order to reduce the heavy reliance on Customs control checks at the point of clearance.

Implement Blue Lane according to the work plan approved by the MCS

The Blue Lane customs clearance channel was introduced into the Customs Code in May 2015 based on the recommendations of BRITE. It creates an alternative routing for shipments that require a documentary check, but are not considered risky enough to hold the entire shipment pending the review. From a strategic viewpoint the nationwide introduction of the Blue Lane is seen as a key means to allow the MCS to start a managed transition away from carrying out the bulk of their customs controls at the point of clearance and support the development of enhanced Post Clearance Control (PCA) capacity, techniques and procedures. The Blue Lane was successfully launched nationwide in August 2015 with BRITE providing advice, training, draft guidance and funding for a Blue Lane communication campaign comprising a range of public brochures, posters etc. (see Component 3).

Blue Lane Training Held by Nigel Moore for the MCS Risk Management Team



Based on statistics provided by MCS, the share of Blue Lane declarations in August and September was approximately 7.2% of total imports. The challenge for MCS and BRITE is to ensure that the perceived risks associated with valuation and classification, i.e. those most impacting revenue collection, are increasingly routed to the Blue Lane and not the Yellow Lane, and that companies found to be compliant during Blue Lane desk audits are removed from the selectivity program.

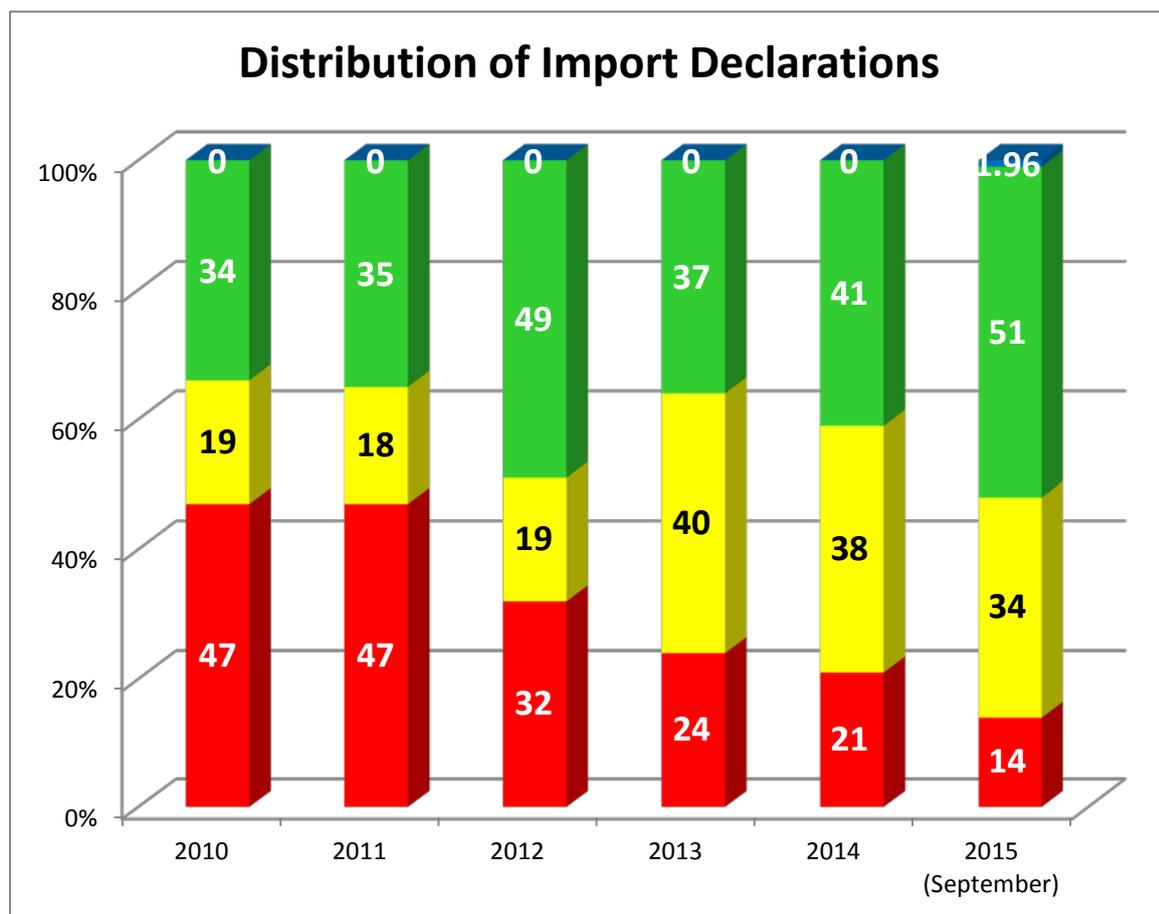
Assist the MCS to develop its 2015 Strategic Risk Assessment Plan; target a success rate of at least 20 percent by the end of Y3

BRITE has made considerable progress in helping MCS view risk management more holistically and strategically over the past year. In the last quarter of 2014, BRITE worked with the risk management and post clearance audit (PCA) teams to evaluate their past performance in critical risk areas and identify areas to target in 2015. We also organized a study visit to Finland (see below) for the risk management and post audit teams. This led to the development of the development of Strategic Risk Management Plan for 2015 that set targets for certain channels and risk criteria.

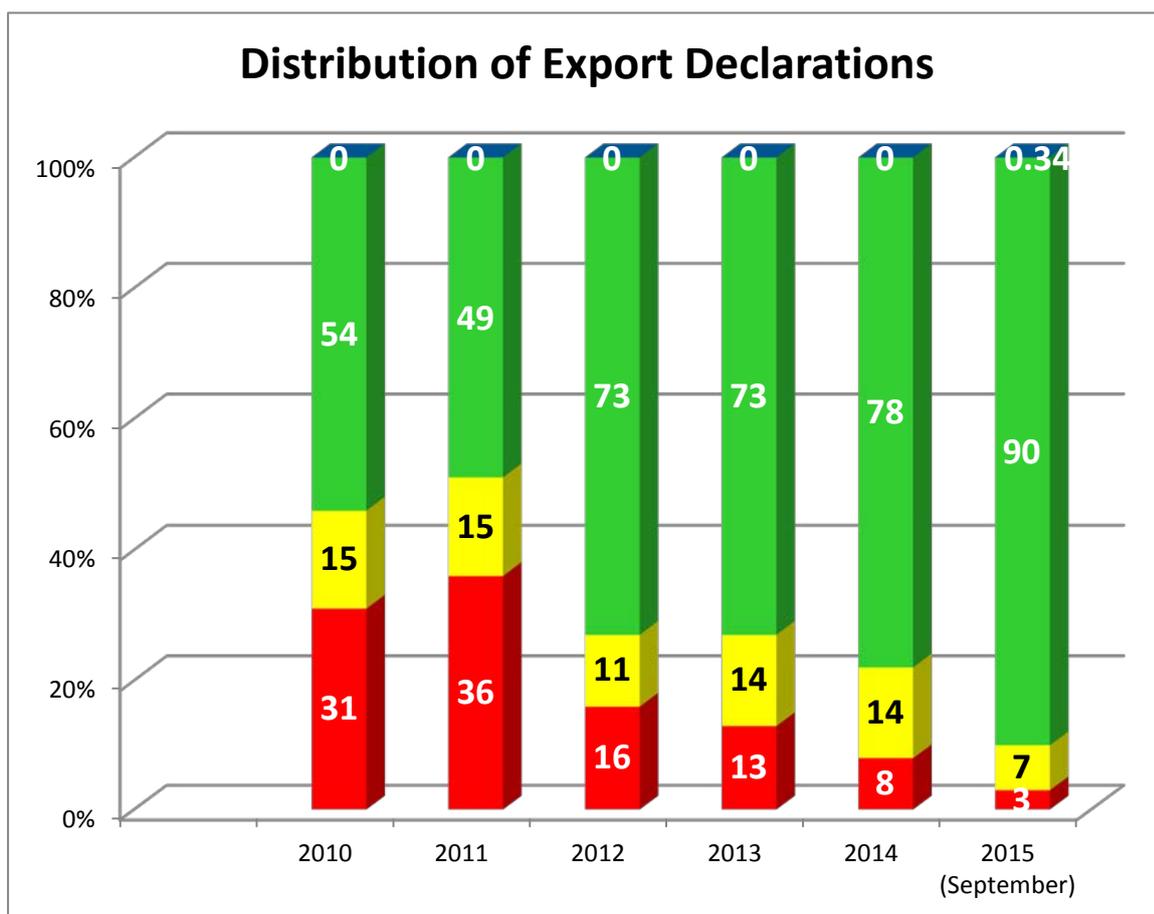
BRITE also helped the MCS to establish a High Level Risk Management group (HLRMG). The aim of this group, comprising representatives from all of the MCS key operational units, is to act as an institutional co-ordination mechanism to promote risk management awareness, monitor the level and efficiency of the Customs control interventions and take corresponding decisions regarding the setting, refining and removing of risk profiles. The HLRMG meets monthly and has been progressively refining the MCS risk criteria to limit the percentage of goods being routed to the Red and Yellow Customs control Lanes.

One of the critical skills required in risk analysis is an understanding of statistical sampling and analysis techniques in order to properly identify and validate risk criteria over time. To address this deficiency in the risk management department, BRITE conducted an introductory training in statistical sampling and probability, and how to apply these using real customs data in Excel spreadsheets. The training covered theory as well as how to use MS Excel basic functions to increase productivity of the department. For instance, they were taught how to easily manipulate tables that contain tens of thousands of rows and numerous variables. BRITE has agreed to provide ongoing mentoring of selected risk management staff to further build their capacity for more sophisticated analysis.

The result of these activities can be seen in the statistics compiled by the MCS for the last several years.



While not dramatic, there is a discernible trend towards less control at the point of clearance for imports. In the period of BRITE support, the percentage of shipments routed to the Red and Yellow lanes has steadily declined while the Green Lane has increased. The Blue Lane became operational only in August 2015. For those months, Blue Lane accounted for just over 7% of all import declarations.



For exports the trend is more dramatic, with 90% of exports now routed to the Green Lane and Red Lane down to only 3% of all shipments.

MCS' continued emphasis on revenue collection, especially in 2015 when budget revenues have fallen short of expectations, can easily undermine the strategic objectives set by the risk management department. If risk criteria are not adjusted and applied properly, more shipments can be directed to the Yellow Lane for "valuation" checks, triggering requests for more information and further delaying the clearance of goods.

Recognizing this risk, BRITE has now expanded its focus to provide technical assistance to the valuation department to improve its valuation practices to ensure the same compliance risk approach is applied. BRITE and MCS agreed to a separate action plan for valuation that includes the following activities.

- Assist MCS to finalize a draft Government Decision on Valuation practices based on WTO/EU practices, and, once adopted, provide training to valuation staff, customs brokers and other traders.
- Develop and make publicly available a comprehensive guide on Valuation.
- Review valuation profile criteria, success rates, and propose revised/improved profiles to enhance effectiveness.
- Benchmark valuation approach against the new EC Customs Blueprints when they are officially released and develop an action plan to address any identified needs.
- Organize a study tour to the UK to learn about the application of EU standards in valuation.

BRITE completed the first activity in June 2015 with assistance from a valuation expert from Lithuania, Mr. Darius Valunta. Mr. Valunta worked with the valuation staff in MCS for two weeks to review their valuation practices, introduce EU practices, help draft amendments to valuation legislation, and recommend other best practices. This resulted in a set of recommendations and proposed text for valuation procedures that included a shift in valuation control away from clearance to post-audit, closer coordination with the risk management department to clarify risk profiles, and to initiate closer cooperation with business associations and trade groups to agree on valuation of goods imported into Moldova – a standard practice in developed countries where legitimate and regular importers are viewed as partners rather than adversaries of Customs. The legal amendments were accepted by MCS and are now pending Government review and approval, which we expect early in Year 4.

Organize a study tour to promote Risk Management best practices

In December 2014 BRITE organized and funded a study tour to Finland Customs in Helsinki in support of the development of modern risk management and customs control practices within the MCS. Finland presents a good example for Moldova as it is an EU member state, is relatively small, maintains a positive trade balance, and has a large border with Russia. The visit focused on several key areas – strategic risk assessment, allocation of resources to risk, functions of the risk analysis division, and statistical sampling. The sessions provided MCS RM staff with detailed information on the the EU and Finnish approach to risk management and the procedures applied, which helped MCS develop its own strategic approach and finalize its strategic risk plan for 2015.

Promote Joint Border Agency profiling

BRITE has determined that this activity is premature given the lack of preparation among other border agencies, particularly the National Food Safety Agency (ANSA). The International Finance Corporation (IFC) is currently providing support to ANSA in developing risk-based procedures for its interventions. Once this is complete and more operational it will be more feasible to address joint profiling with Customs.

Develop internal Risk Management Communications Strategy

Since the adoption of the risk management strategy and the creation of the high-level risk management committee, BRITE has been working with MCS to communicate these changes more widely throughout the organization and encourage more coordination between departments that have information vital for risk management. Admittedly, MCS has been slow to embrace this approach, but we agreed to use the Blue Lane as the first step, since it is important that front line officers and headquarters staff understand this important change in the clearance of shipments. RM and communications staff from MCS together with BRITE developed several approaches to promoting the Blue Lane, including internal and external press releases, brochures, posters and a series of regional events at local customs houses that started September 2015.

In September 2015, Nigel Moore also conducted a series of trainings and outreach for customs officers in the regions to communicate the policy and the benefits of the Blue Lane and ensure its proper implementation. This activity will continue in Year 4.

A2b. Streamline the Import Process

Fully implement Simplified Procedures based on EU norms; targeting 30 percent of all imports using Simplified Procedures by the end of Y3

With assistance from BRITE the legal procedures to implement EU simplified procedures were adopted by the Government and became effective October 2014. Some additional enhancements to these procedures, based on EU recommendations and drafted by BRITE, are now pending Government approval. Full implementation of these procedures has been slow, however, due to the limitations of the customs system ASYCUDA. Presently, local clearance, which allows traders to clear shipments from their premises, is the only simplified procedure being utilized. Others, such as incomplete declaration, require adjustments to ASYCUDA that require the support of UNCTAD (see below).

Streamline selected customs regimes based on EU norms

These measures are now included in the comprehensive draft legal amendments mentioned above. In late 2014, BRITE's trade advisor Valentin Armas completed the draft legal amendments to bring the regimes of customs warehousing and inward processing relief into closer compliance with EU practices. At the request of MCS these were promoted in two separate packages of legal amendments:

1. Amendments to the Customs Code to implement primary norms, e.g. extending the warehousing term indefinitely, allowing temporary removal of goods without lodging declarations, extending the term of inward processing, etc.
2. Amendments to Government Decision to streamline procedures, e.g. the approval/authorization process, control of goods within the warehouse, etc.

These drafts were combined with the draft legal amendments prepared under the preceding activity (above) and promoted as a single package for consideration by the Government.

Implement the Authorized Economic Operator (AEO) program

Following the approval by Parliament of AEO as a facilitation mechanism in late Year 2, BRITE assisted MCS to finalize the implementing regulations for conducting pre-audit evaluations and organized training in EU pre-audit procedures for selected staff of the simplifications division. Later in the year, we also provided follow-up assistance by evaluating the progress of the program to date, and proposing improvements to the program.

AEO, or a trusted trader program, is a key component of a compliance risk model. It is also a priority of the MCS as it is a requirement of the DCFTA. The problem facing MCS is a lack of understanding of how to properly identify AEOs, evaluate their compliance, provide them meaningful trade facilitation benefits, and monitor their compliance. At this stage, BRITE has been able to provide only introductory training to MCS staff in preparing for and conducting audits of AEO candidate companies, and providing guidance to companies on how to evaluate their own readiness to be approved as AEOs. This is made more difficult by the fact that MCS chose to automatically grant AEO status to a group of companies that had received an earlier designation as a known trader. This created a large pool of AEOs that were never properly evaluated or chosen based on volume of trade and revenues. Arguably, the number of AEOs, currently 89, is excessive and is certainly beyond the capability of MCS to effectively manage. Furthermore, of the 100 largest importers and exporters only about 13% are designated AEOs.



AEO Expert Jeremy Wellens delivers pre-audit training

BRITE's follow-up support in early October 2015 focused attention on these shortcomings and recommended refraining from approving additional AEOs until all procedures were in place

and further training could be conducted. BRITE's AEO expert, Jerry Taylor, helped prepare an updated AEO self-assessment questionnaire based on EU guidelines, and an internal procedure guide for MCS auditors with steps for approving and monitoring AEOs. BRITE will present these recommendations to MCS early in Year 4 and attempt to provide additional support to ensure the AEO program targets high-volume compliant traders and can provide more advantages beyond expedited border processing and local clearance.

Introduce Electronic Import System; targeting 25 percent of all import declarations to be submitted electronically by the end of Y3

After an initial pilot program at the border crossing points at Tudora and Sculeni, full electronic (paperless) import became possible at all BCPs as of March 2015. The MCS officially announced this change, but was slow to promote it. In early 2015, The use of e-Import, despite being available since March 2015, is still not growing significantly and is mostly due to the obstacles that BRITE identified in discussions with traders and customs brokers, and confirmed through a recent survey of large traders, namely:

- Shipments with multiple consignees cannot be accommodated by e-Import declarations (“groupage”).
- The requirement to lodge the SAD at least one hour before the arrival of the truck at the BCP. In the opinion of many, not being able to review the accompanying documents and shipment creates a risk for a non-authentic declaration, which in Moldovan law can result in penalties of 40-100% of the value of the goods. In their view, MCS must address either or both of these aspects to generate more interest in e-Import.
- Any shipment directed to the red lane requires a transit declaration, which cannot be lodged electronically.

IMPORT DECLARATIONS 2015						
Month	Paper Declarations	Customs Value MDL	Electronic Declarations	Customs Value MDL	E-Declarations (% of Total)	E-Declarations (% of Customs Value)
January	8282	4,377,977,481	97	65,456,238	1.2	1.5
February	11270	4,709,532,090	9	2,068,057	0.1	0.0
March	15181	6,235,737,185	196	116,409,870	1.3	1.8
April	14481	5,616,898,300	342	161,857,514	2.3	2.8
May	15532	4,599,948,048	343	96,794,352	2.2	2.1
June	16596	5,155,666,257	384	130,825,089	2.3	2.5
July	17359	5,307,849,016	532	150,559,281	3.0	2.8
August	16037	4,788,515,298	707	241,475,685	4.2	4.8
September	17971	5,510,718,305	1432	395,226,976	7.4	6.7

BRITE has tried to address some of these through changes in MCS internal procedures, but has encountered some resistance, and only minor improvements have been introduced so far, e.g. allowing “groupage” for a single consignee from multiple sources. BRITE is now preparing a more detailed assessment of E-Customs based on the data from our surveys and from Customs data to present to MCS management in hopes of focusing their attention on achieving higher targets for uptake on E-Customs.

Introduce deferred payment of duty and taxes on imports

Deferred payment is a key facilitation mechanism that will allow traders to take full advantage of e-Customs and EU simplified procedures, since they will not be forced to pay duties and taxes prior to release. This is now a requirement of the DCFTA, and the WTO Trade Facilitation Agreement, and BRITE and EUBAM have been advocating for its introduction sooner, particularly for AEOs. However, the Ministry of Finance remains

opposed to this reform insisting that it is unnecessary for most traders and will put revenues at risk.

To overcome this resistance and to build support for change BRITE conducted a survey of 100 importers to understand better the costs associated with pre-payment of trade revenues and what sort of deferment scheme might work best in Moldova. Based on these results, we drafted a report on the findings and the need to introduce duty deferral as a trade facilitation measure.

Key Findings of Survey of 100 Importers – January 2015

- Of the 100 traders surveyed, 31 percent were holders of “simplified customs procedures”, many of which are now designated Authorized Economic Operators by the Moldova Customs Service.
- 60 percent of respondents would use a duty deferment scheme if given a chance; among AEOs the response rate was 70 percent.
- The average deferral period preferred was 12.6 days;
- 20 percent of respondents pay their customs revenues in advance; another 20 percent regularly overpay calculated amounts.
- 35 percent of respondents take bank loans for paying customs revenues, most of them for a period of two months or more.
- 51 percent of respondents experience delays in release of goods when paying customs revenues; 8 percent of those report delays occur often.
- 65 percent of respondents reported being fined at least once in the last three years because of delayed or incorrect payment of customs revenues.
- Only 10 percent of respondents have never experienced delays because of incomplete payment of customs duties.

Based on data from the survey and from the MCS, AEOs currently account for less than 6% of all customs revenues. If 70% of these were deferred the initial shortfall would be less than 0.2% of the State Budget. Based on this, BRITE and EUBAM drafted a joint letter to the Ministers of Economy and Finance requesting they implement deferred payment, initially for AEOs, in order to meet their DCFTA obligations. The letter was signed by the head of the EUBAMA mission and Kent Larson, the USAID Country Director. The letter was shared with the World Bank and with AmCham, and the latter raised the issue at the Prime Minister’s Economic Council, where the Minister of Finance reiterated his opposition. The Economic Council nonetheless recommended this be implemented and tasked the MoF with developing a solution.

MCS have inserted delayed payment in the draft Tax and Customs policy law for 2016, which is now being finalized by the MoF. BRITE will continue to track this and work with all its partners to ensure the reform remains in the draft that is eventually sent to Parliament. The challenge, however, is that current budget shortfalls and delays in budget support from donors make these types of reforms less palatable politically.

Reduce the number and streamline the issuance of import permits

While MCS administers the clearance and release of goods, it is not the only body regulating trade. In fact, in Moldova many other agencies impose non-tariff barriers on goods, many of which are duplicative and costly. BRITE’s research has revealed over 20 types of import permits covering a range of goods. The integrated tariff of Moldova – TARIM – should include all of these but is unfortunately out of date, incomplete, and lacking any legal substance. Instead these permits are spread throughout numerous laws and Government

regulations often with no reference to the particular goods they regulate. BRITE has been working to reduce and streamline these import permits in line with international practice, assign them to specific HS codes and consolidate them into the integrated tariff.

This year we made considerable progress in raising awareness of this problem and building political support to address it. This started in late 2014 when MCS took the decision to align their integrated tariff with the EU TARIC in order to facilitate the implementation of an electronic single window for trade. In this case, the Moldova TARIM must represent a legal source of information. To help implement this, BRITE invited an expert from Lithuania Customs to work with MCS and other regulating bodies to instruct them on the basis and composition of the EU TARIC and how to implement a similar tariff in Moldova. One of the key recommendations from this assignment was to create a special Inter-Ministerial Commission that would be empowered to review and approve the official tariff positions for all permits/regulations, updating them as needed for any changes in the legislation or the Harmonized System Nomenclature. This would also encourage greater cooperation, mutual understanding, and information sharing among trade-regulating authorities, which is sorely lacking in Moldova.

This proposal was then put to the Economic Council of the Prime Minister, which agreed to establish an inter-ministerial committee to determine all non-tariff regulations on goods, assign them to the HS classification, and then identify opportunities to streamline them before approving them in the form of the integrated tariff - TARIM. BRITE has been supporting the group, which continues to meet regularly based on specific permits and areas of regulation like food safety, hazardous goods, licensed activities, etc. The work is progressing slowly but steadily, and most of the tariff positions and permits have been identified, but there remains strong opposition to reform. In one instance, the agency controlling hazardous goods has so far refused to even apply goods to their HS codes.

At this stage, BRITE has requested MCS and the Prime Minister's Economic Council to call a general meeting of the committee and require a progress report from all parties. Without strong intervention from a higher political authority this important initiative will fall short of expectations. In Year 4 we are prepared to present a consolidated database, a package of recommended reforms, and work with a high-level Government committee to complete a final package of amendments.

Another significant achievement in streamlining the import (and export) process was the decision of MCS in May to slash the number of required documents for clearance. According to the decision, only three documents are required for import or export. These include the invoice, transportation documentation (e.g. the CMR note) and any permits related to the types of goods (e.g. certificate of origin or compliance certificate). Supplementary documents may be requested based on risk selectivity: that is, for the declarations directed to the red and yellow lanes.

In order to ensure this is effectively implemented and not abused by custom officers, BRITE worked closely with MCS to develop implementing regulations that stipulate clearly the process of when additional documents may be required, in what form and how they will be used. The regulation also limits the types of documents that can be requested. This regulation was finalized with MCS and is awaiting their final approval. This reform was a central component of the nine regional presentations MCS made in September and October 2015 with BRITE's support.

A2c. Streamline the Export Process

Reduce the number and streamline the issuance of export permits

This work is described above as part of streamlining import permits. Both export and import permits are included in the work of the inter-ministerial committee tasked with classifying and streamlining all trade permits.

Introduce self-certified certificates of origin

This task was removed early in Year 3 because the MCS requested support from EUBAM for this effort. A government decision was approved in June 2015 to allow for self-certification by authorized exporters.

Promote and expand the use of electronic export; targeting 55 percent of all export declarations by the end of Y3

The use of electronic export declarations rose substantially in the final quarter of 2014, reaching over 40% before declining and plateauing in 2015 at around 32% of all export declarations. Based on these figures and anecdotal evidence from exporters and associations, some companies were reluctant to use electronic export or were unsure of its benefits. In fact, most of these include smaller exporters. In order to reach this segment of exporters, BRITE and MCS developed new outreach material on e-Export and then conducted a series of outreach events in September and October 2015 in nine regions of Moldova. More than 500 companies attended these and even more were reached through media outreach. This was confirmed in our end of year survey of businesses. The number of e-declarations did climb in August and September and we anticipate higher numbers in the coming months.

EXPORT DECLARATIONS 2015

Month	Paper Declarations	Customs Value MDL	Electronic Declarations	Customs Value MDL	E-Declarations (% of Total)	E-Declarations (% of Customs Value)
January	6262	1,431,803,895	3240	703,502,669	34.1	32.9
February	7109	1,587,758,520	3914	813,319,013	35.5	33.9
March	9594	2,042,050,916	4673	904,647,862	32.8	30.7
April	8974	1,693,778,605	4299	736,286,267	32.4	30.3
May	8907	1,850,125,459	4359	790,947,651	32.9	29.9
June	8232	1,720,718,117	3644	643,932,106	30.7	27.2
July	10158	817,143,181	5102	817,143,181	33.4	50.0
August	8948	1,520,523,674	5461	847,094,088	37.9	35.8
September	10428	2,074,819,411	6931	1,268,298,331	39.9	37.9

A2d. Introduce other Electronic Solutions to Streamline Cross-Border Trade

Develop customized software for electronic approval of phyto-sanitary and veterinary-sanitary certificates on import and export

This work is tied to an initiative to streamline the permit process within the National Food Safety Agency (ANSA), from a legal standpoint, that is covered in Component 2 (see below). The initial set of amendments was finalized and distributed to all stakeholders in October 2015.

In anticipation of these reforms, BRITE prepared all the necessary material to procure the development of an electronic system to verify and approve phyto-sanitary and veterinary-sanitary permits for trade. This includes detailed process maps and description of the businesses processes (*de jure and de facto*) for issuing phyto-sanitary and veterinary-sanitary

permits for import and export. These were based on and later validated through meetings with officials from ANSA, AmCham, the Association of Meat Processing Enterprises, and various individual importers and exporters. BRITE has also prepared the terms of reference for the implementation of the electronic information system designed to manage the import/export procedures of the agro-goods, starting from issuing the permissive documents and ending with the import/export process itself. According to the concept proposed by BRITE a connection also will be established between the planned ANSA electronic system and MCS's ASYCUDA World, as well as with the systems of other involved public authorities, if appropriate.

Develop electronic data exchange among the MCS, the STS, and the CRIS Register to eliminate some paper transactions and the need for visits to public authorities, and to enhance Risk Management capabilities within the MCS and the STS

After considerable negotiation and discussion, all involved parties eventually agreed on a set of data to exchange and the format of that data. Given the number of agencies involved and the sensitivity of the data in question, this took longer than anticipated and delayed the eventual development of a data exchange solution. At this stage, BRITE's experts have developed the prototype for the web service and will test it in early November 2015. Going "live", however, will depend on the movement of data into the E-Government Center's MConnect platform both from the CRIS Register and STS, and neither of these agencies has finalized their data exchange mechanism with the E-Government Center. In the case of STS, this will likely be delayed until the end of the year because they need additional funds for their developer FiscServInform to complete the work.

Activate additional modules in ASYCUDA to implement EU Simplified Procedures in customs and paperless processing

MCS' main declaration processing system ASYCUDA World is incapable of fully accommodating new EU simplified procedures, which are now included in Moldovan law. These include features such as incomplete, simplified and periodic declarations. It also cannot open and discharge suspense regimes in a fully paperless manner. Finally, its risk management module is limited and many new features have been added to subsequent versions of ASYCUDA that could considerably streamline customs processes and better facilitate trade.

In early 2015, BRITE hired an ASYCUDA expert to conduct an assessment of the system and propose solutions for enhancing the system. The main recommendation was to upgrade to the latest version of ASYCUDA 4.2.2 EU which includes new EU simplifications, among other features.



MCS, BRITE at the UNCTAD Headquarters in Geneva

Based on this assessment, and MCS' request of BRITE for assistance, we organized a study tour of MCS representatives to the UNCTAD ASYCUDA Division in Geneva in June to demonstrate the capabilities of the latest version of AW 4.2.2 EU, specifically in the areas of EU simplified procedures, risk management, customs controls, and single window. The sessions were detailed and practical and the participants were deeply engaged in the subject matter.

Based on their evaluation of the new system, MCS made a formal request of UNCTAD to upgrade the system and provide MCS staff with the necessary technical and functional training to fully implement all of its features. Because BRITE is not able to contract directly with UNCTAD, it has agreed to retain an ASYCUDA technical expert recommended by UNCTAD and cost-share with the International Finance Corporation (IFC), which will contract with UNCTAD for their portion of the work. At this stage, all parties are negotiating the technical and financial terms, and we expect to finalize an agreement in November and begin implementation shortly thereafter.

A2e. Other Activities to Improve Communications and Increase Transparency

Support the National Customs Consultative Committee

The only meeting of the NCCC this project year was held in April. This was due largely to the focus on parliamentary elections at the end of 2014, the late formation of the Government in early 2015, and then the collapse of the Gaburici Government in June. The April meeting discussed issues related to allowing temporary admission for boxes used by exporters of fruit and vegetables to the EU, allowing groupage cargo when using e-declarations, and eliminating the need for customs stamps on transport documents. Only the first two issues were favorably considered by Customs and solutions are in the works. The next meeting is scheduled for November 2015.

In addition, in July MCS approved a methodology for the classification of various IT parts, computers and periphery equipment that had been requested by the Association of ICT Companies ATIC in an earlier NCCC meeting in 2013. ATIC had complained that MCS officers were classifying imported ICT equipment incorrectly and inconsistently leading to uncertainty and higher costs for their members. BRITE, ATIC and MCS had since been working together to develop a mutually beneficial solution. This was finally agreed to and now the customs classification of the above mentioned goods is more transparent and uniformly applied.

Finally, in late September BRITE received a positive response from AmCham regarding assuming the role of Secretariat of the NCCC when BRITE concludes in mid-2016. We are now developing a transition plan together with MCS that should start in early 2016.

Ensure all MCS Internal Orders conform to Moldovan law

BRITE and MCS completed a full review of internal orders early in Year 3. All internal orders identified for cancellation were cancelled by MCS, and revisions to others are pending Government approval. BRITE has since identified several additional orders that require publication and/or approval of the Government and notified MCS so as to take action.

Develop plain-language guides for economic operators based on reformed customs processes (with Component 3)

This year we made considerable progress in developing both internal operating procedures for Customs and external guides for traders. To date, these include:

1. Inward Processing Relief
2. Temporary Admission
3. Advance Rulings on Origin
4. Advance Rulings on Goods Classification/Tariff
5. AEO pre-audit questionnaire and guidance

We have started drafting a guide on Customs Warehousing that should be completed by the end of November. Next year we will also undertake Valuation, once the process has been streamlined.

A2f. Other Activities

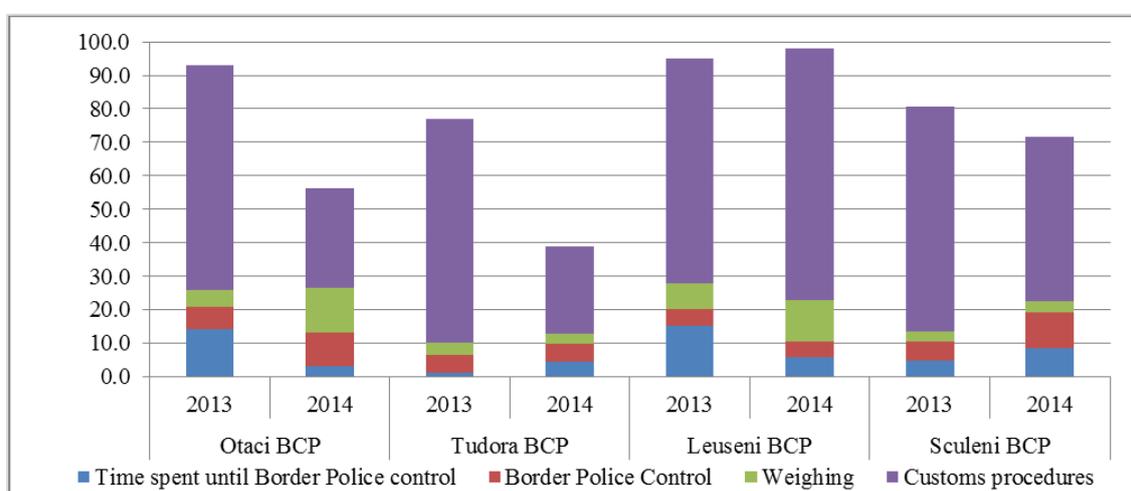
Customs Terminal Reform

Continuing on the work started with AmCham and their BRITE-funded report on customs terminals, we participated in a 2-day workshop on customs terminals in May with MCS, AmCham and EUBAM. EUBAM led the discussions with an expert from Slovak Customs. The approach proposed by EUBAM and BRITE is to treat the movement of goods into customs terminals as “temporary storage” under the customs code and to identify those areas where Moldovan practice is not in line with the EU and determine how best to address them. The discussions were highly technical and detailed and took place over two full days. In the end, a list of conditions and processes were identified that were later transposed into draft normative acts, including changes to the customs code and other customs regulations. These were started by MCS in June and then finalized by BRITE, including recommendations from Nigel Moore and shared with all stakeholders.

Conduct time-release studies at selected border crossing points (BCPs)

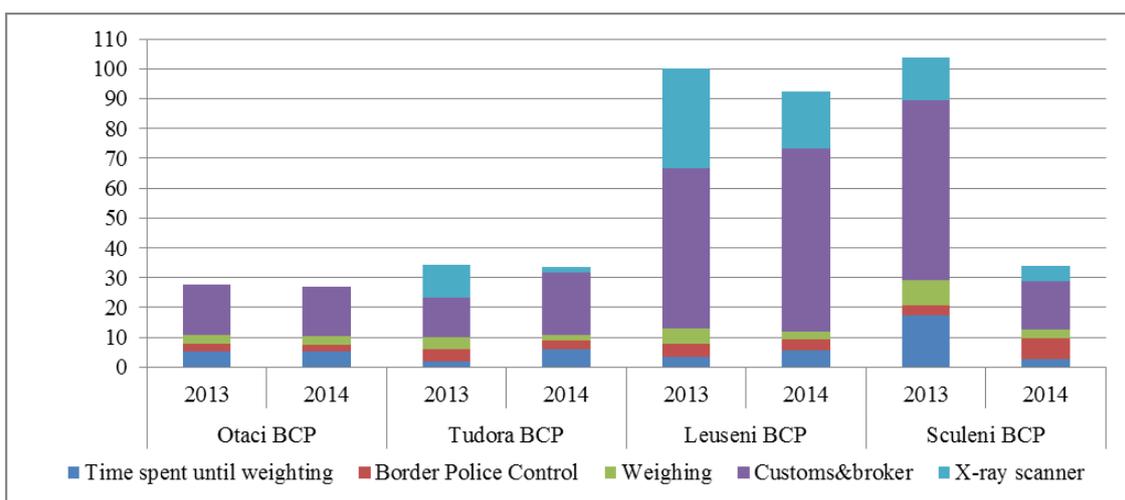
Early in Year 3, BRITE completed its second study of import/export process times at four BCPs for the period September-October 2014. This was a follow up to a similar study in 2013 and was intended to measure any improvements from changes or reforms introduced by MCS in the interim. A separate report of the findings was provided to MCS and USAID at that time, but below is a summary of the main findings:

Average inbound time at BCPs (2013 vs. 2014) on a T1 declaration



Data were collected and other observations made at four BCPs: Leuseni, Sculeni, Otaci and Tudora, which are the busiest border crossing points by road from Moldova. The figure shows that except at Leuseni the inbound crossing time was faster than in 2013 (using a T1 declaration). For other types of declarations the times were also shorter, with some exceptions. For outbound shipments (Figure 2), times were faster overall at all four BCPs, particularly at Sculeni. Within selected processes, times were faster in most cases, but there are still delays resulting from poor infrastructure. At that time, e-Export was causing problems for some customs posts (see below).

Average outbound time at BCPs (2013 vs. 2014) on a T1 declaration



Average Crossing Times at BCPs (2014 vs. 2013)

Indicators/BCP	Otaci BCP		Tudora BCP		Leuseni BCP		Sculeni BCP	
	Import	Export	Import	Export	Import	Export	Import	Export
Observed Time 2014 (min)	56.4	27.0	39.0	33.7	97.9	92.3	71.7	34.1
Observed Time 2013 (min)	93.1	27.9	77.1	34.4	94.9	100.3	80.7	103.7
Change (min)	-36.7	-0.9	-38.1	-0.7	3.0	-8.0	-9.0	-69.6
Change (%)	-39%	-3%	-49%	-2%	+3%	-8%	-11%	-67%

* Note: Time to Export does not include the observed queue to enter the BCP. The queue for entering the BCP by inbound trucks was not observed.

The main findings included:

- Inbound customs procedures were faster at Otaci and Tudora BCPs in 2014, compared to 2013, no matter the type of declaration.
- Less than 16% of loaded trucks require phyto-sanitary and/or veterinary inspections. There is no statistically significant evidence that the trucks with one of these inspections spend, on average, more time for customs procedures than other loaded trucks.
- The AEO/TIR EPD lane is used only by 13% of trucks and it is faster than the usual lanes.
- Holders of simplified procedures, in most cases, spend less time for inbound customs procedures than the other loaded trucks.
- The inbound customs procedures are about the same for T1 and Import declarations; the trucks with TIR declarations spend less time.
- Compared to 2013, the queue at Leuseni is much shorter, but the BCP itself is more crowded. Generally, at all BCPs, queues were relatively short or absent.
- Electronic export declaration is already popular, but trucks spend more time for customs procedures with this type of declaration at Tudora, Otaci and Sculeni BCPs, compared to other types of declarations.

MCS has already implemented some improvements based on these findings, particularly as regards e-Export declarations. The main drawback of this study compared to the previous one is that MCS did not provide us with the data from ASYCUDA for the same period of the on-site observations. This makes the findings less revealing and the data less comparable. We have agreed to conduct a more thorough study in 2016 closer to the end of the project.

B. Component 2: High-Impact Regulatory Reforms

Component 2 focuses on supporting the development and promotion of high-level reforms to facilitate the sustained growth of the business environment and to increase transparency and public private dialogue (PPD) in regulatory rule making.

B1. Intermediate Result 2.1: Improvement of the regulatory framework in selected Doing Business areas

Protecting Investors

As early as 2013, BRITE and the Ministry of Economy (MoE) began developing a set of legal reforms to address the gaps identified by the World Bank's Doing Business survey related to minority shareholders. These were completed in the last project year, but were never considered by parliament until after the elections in 2014 and the formation of a Government in February 2015.

Year 3 Results

- Parliament approved amendments to the Law on Joint Stock Companies developed by BRITE that streamline the regulatory framework for protecting minority investors.
- Set of amendments to food safety laws drafted that reduce the time and costs of import/export operations, eliminate two licenses issued by the Licensing Chamber and 10 permits issued by ANSA, and bring import/export requirements for agro-food products in line with EU practices.
- Drafted reforms to eliminate pre-authorization for internal commerce and streamline the issuance of construction permits.
- Laid the groundwork to assist the GoM Public Procurement Agency (PPA) to develop a secondary framework to complement a new EU-compliant Law on Public Procurement.

Beginning in April 2015, BRITE together with the MoE worked closely with the Parliamentary Committee for Economy, Budget and Finance to promote and explain its draft amendments to the Law on Joint Stock Companies. These amendments were finally approved by the Parliament in May 29 and entered into force in June. The resulting law significantly streamlines the regulatory framework for protecting minority investors. The new provisions eliminate gaps that previously had allowed company managers to avoid restrictions for conflict of interest transactions. The law also provides a new definition for transactions with related parties and clear criteria for identification of personal interest in a transaction concluded by a company. As a result, a company is required to fully disclose the information about a transaction with a related party before and after concluding such a transaction.

Based on these changes, BRITE's Legal Advisor, a designated respondent to the annual Doing Business survey, adjusted the evaluation questionnaire for the Doing Business 2016 survey, and informed the World Bank evaluation team. Unfortunately, the 2016 report, released in late October 2015, did not reflect these changes, but should in subsequent reports.

Trading Across Borders

Despite a year of political uncertainty and changes in leadership in both the Ministry of Agriculture and the National Food Safety Agency (ANSA), BRITE succeeded in completing its package of recommendations to reform the process of issuing and verifying phyto-sanitary and veterinary-sanitary permits for imports and exports. By the end of the project year, a full report on the practices in Moldova compared to the EU, a set of legal amendments to bring Moldova in line with the EU, and a detailed report on ANSA's business processes for trade permits that would need to be streamlined were presented to the Minister of Agriculture and the Vice Director of ANSA, both of whom agreed to implement the changes.

This result is the culmination of more than a year of effort that focused on detailed research,

consultation and validation with a variety of parties, both public and private. Most recently, BRITE engaged two Romanian food safety experts, Lucian Boncea and Monica Porca, to ensure that BRITE's approach and recommendations were fully aligned with EU and international practice. Both consultants have been involved in EU food safety projects in the past and helped implement reforms in the Romanian food safety agency. This assignment, which included consultations and a workshop for all stakeholders in Chisinau in September, resulted in a high-level report that describes the role and powers of a food safety agency at all stages of producing and trading in commodities covered by food safety legislation in accordance with EU laws. It also helped ensure our legal amendments were aligned with the relevant EU directives and the requirements of the DCFTA.

The reforms, if fully implemented, would essentially reduce the permit process from four stages to one. The preliminary approvals, the inspection of storage and warehouses, and the final certification after importing goods in Moldova would be eliminated. Following the EU approach, the authorization and control of import/export operations would be performed by ANSA at the border when the beneficiary imports/exports goods. These would also eliminate two licenses issued by the Licensing Chamber and 10 permits issued by ANSA, and bring import/export requirements for agro-food products in line with the EU regulations.

The Minister of Agriculture has agreed to form a working group to ensure that BRITE's amendments are included as part of other amendments being prepared by the Ministry. BRITE will focus its efforts in Year 4 on promoting these reforms in Government and then Parliament and supporting ANSA to implement them in the time remaining.

Dealing with Construction Permits

This year BRITE finalized its work to develop new regulations for issuing construction permits at the local level. The draft Government Decision has been reviewed by the relevant ministries and agencies and reflects their input. It is now awaiting review by the Ministry of Justice and the National Anti-Corruption Center before it can be formally approved by the Cabinet.

According to the 2016 Doing Business report, Moldova is one of the most burdensome countries when it comes to dealing with construction permits, ranking 170th out of 189 economies. There are 27 separate procedures that take 276 days on average to complete. If BRITE's recommendations are adopted by the Government the number of procedures would drop from 27 to 12, and the number of days from 276 to about 90. This is achieved by creating a single access point within local public authorities that is responsible for accepting all documentation and sharing it with the relevant public authorities through an electronic document management system. In this way the applicant does not interact directly with the agencies and permits are eliminated in favor of approvals issued electronically. The regulations also establish strict rules for the submission of documents and their review and approval that seek to reduce excessive discretion, abuse of authority, and corruption.

In anticipation of the Government's approval, BRITE has developed terms of reference to develop the electronic one-stop-shop for construction works and will proceed with development early in Year 4. We will also develop procedure manuals and instructional materials to be used by local public authorities and will pilot implementation in one municipality in 2016.

B2. Project Intermediate Result 2.2: Administrative burdens and compliance costs for businesses reduced

Reduce the number of permits required for business activity; streamline the issuance of permits

This activity made little progress in Year 3, mainly because of the MoE's reluctance to promote these reforms, despite being fully in line with their own policy documents - the Road Map to Improve the Business Environment and the Regulatory Reform Strategy (RRS).

For its part, BRITE submitted a package of amendments to the Authorization Law (Law on Regulation by Authorization of Business), Licensing Law and some additional laws to streamline the permit regime. These amendments would eliminate 27 permits (out of 282) and 9 licenses (out of 32). In addition, they would eliminate fees for certain permits; simplify conditions when dealing with permits, such as canceling the term of validity for permits, where possible; merging different permissive acts that serve the same purpose; and limit situations when entrepreneurs are required to obtain a permit.

In order to eliminate abusive practices faced by the business community, the draft amendments set down additional requirements for the agencies issuing permits, including:

- a) The Court of Accounts shall inspect and supervise how public agencies issue permits and authorizations;
- b) A new permit can be applied only after one year from being introduced into the official nomenclature; and
- c) Public agencies are required to develop and make publicly available guidelines explaining the permitting process.

In Year 4, we intend to promote these reforms together with the World Bank and IFC, as well as directly with Parliament.

Streamlining the issuance of internal (retail) trade authorization by local public authorities

The issuance of internal (retail) trade authorization by local public authorities is burdensome and imposes high costs and uncertainty on businesses. Companies need on average 70 days to obtain a start-up authorization. Up to seven government agencies participate in the authorization process, requiring multiple documents that differ depending on location, and the process is renewed annually.

In the final quarter of Year 3, BRITE finalized its work on developing amendments to the Law on Internal Trade, which intends to dramatically streamline the issuance of trade authorization. In fact, BRITE's amendments take a completely different approach to the roles and responsibilities of public authorities and businesses by eliminating the issuance of an authorization by public authorities to begin operating a business (essentially a business license), and instead introducing the concept of "notification" to the authorities by a business upon starting its operations. This approach eliminates the role of public authorities in pre-authorizing a business, a process that can take up to 70 days to complete and one widely considered to be deeply corrupt. The changes would involve establishing an electronic one-stop-shop at the local municipality where a business would provide the requisite information on the business that would then be shared electronically with all relevant authorities.

At this stage, the package of amendments has passed a review of the relevant ministries and agencies and their comments have been addressed. It is now waiting final review by the Ministry of Justice and the National Anti-Corruption Center before approval by the Cabinet. In August, BRITE met with parliamentary speaker Adrian Candu and secured his full support

for the approach and the draft law, and agreed to promote its adoption in parliament once it is approved by the Cabinet.

Streamline the voluntary liquidation of the enterprise

This Year BRITE was unable to enlist the support of either STS or the Ministry of Finance in promoting its reforms to the process of voluntary liquidation. As such, we have decided to introduce as many improvements as possible through changes in Government decisions rather than changes in the Tax Code, which is proving too difficult. This will be done in Year 4.

Consolidate and streamline business reporting requirements

At the beginning of Year 3, this activity was being led primarily by the Economic Council of the Prime Minister with assistance from IFC. BRITE was a member of the working group but was providing mostly consultation rather than technical assistance. This initiative concluded in June when IFC support ended and a report of findings and recommendations was submitted to the Secretariat. At that stage, BRITE agreed to step in and lead the effort and even expand it to include direct support to the National Bureau of Statistics (NBS) in assessing and consolidating their statistical reports, since they are one of more problematic agencies for businesses. Plus, in meetings with NBS managers they expressed an eagerness to work with BRITE to improve their internal processes and IT systems, since they have multiple databases and outdated systems.

By the end of Year 3, based on the results of IFC's work BRITE's work on the single tax payment account, and numerous meetings with businesses, accountants, and public authorities, BRITE had developed three approaches to streamline reporting:

1. Personnel Service – an on-line application that will allow economic agents to report all the data on their employees and payments (salaries, income tax, social and medical payments) that will be accessed by NBS, CNAS, CNAM and STS, eliminating individual reports.
2. Unified form for taxes, salaries and contributions – this will unify four forms into a single report sent on-line through e-reporting system. There are: REV-5 and 4-BASS, presented at CNAS, IRV14 – presented at STS and MED-08, a CNAM report presented at STS. This would reduce the burden of sending more forms and will allow some optimization within the contents of the new unified form.
3. Eliminating requirements from NBS to collect data on labor and payments from economic agents. As an alternative, we propose NBS to use administrative data, in particularly from the Personnel Service and from the unified form.
4. Place the remaining 20 key reports required by NBS on-line so businesses can submit all reports in electronic form.

These will be implemented in Year 4, and will begin the process of consolidating data submissions and encouraging more data exchange among public authorities through the MConnect platform instead of requiring it to be provided separately by economic agents.

Develop policies and procedures for determining fees for mandatory services

This issue was not addressed in Y3 because it was not championed by the MoE as we had expected at the beginning of the year.

B3. Intermediate Result 2.3: Good regulatory practice institutionalized through capacity building and improved public-private dialogue (PPD)

Strengthen the regulatory impact assessment process

By the end of 2014, BRITE had developed a set of recommendations to improve the RIA methodology and had submitted those to MoE for review and approval. Unfortunately, these recommendations did not advance, mostly because the MoE insisted that the World Bank also review them as part of their Competitiveness Enhancement project. This, however, did not happen until August 2015. The World Bank was also asked to review RIA relative to the State Chancellery's initiative to substitute RIA with an ex-ante analysis methodology. Eventually, the World Bank advised the GoM that RIA should remain and that BRITE's approach to improving the methodology was sound.

The main features of BRITE proposals include:

- The RIA process should become a mandatory step in the rulemaking process for all new regulatory initiative affecting the business activity;
- The RIA report for certain categories of new regulatory initiatives should be simplified;
- The rule requiring a second RIA report for the same regulatory initiative should be eliminated;
- The Ministry of Justice should not register a new regulation without an accompanying RIA report;
- The Government should not accept to review and approve new regulation affecting business activity without a RIA report, and all bills of laws approved by the Government and sent to the Parliament must be accompanied by a RIA report;
- The role and powers of the RIA Working Group should be enlarged, i.e.
 - any initiative aiming to introduce new permissive acts must be reviewed and agreed by the RIA Group
 - RIA Group will prepare and provide to the Parliament a report on the business regulation yearly, which will describe the weaknesses, challenges and proposals for improvements.

These will be promoted with MoE beginning early in Year 4. At the same time, we will start to develop a training course for public servants and finalize the RIA Guide.

B4. Project Intermediate Result 2.4: Transparency and access of entrepreneurs to business regulation increased

Implement the State Local Act Registry

As with other activities of BRITE that require legal reforms to initiate IT improvements, this was delayed due to the multiple changes in the Government throughout the year and ultimately required two review cycles. At this stage, all reviews have been completed and all opinions and comments incorporated. We expect the State Chancellery, which is responsible for reviewing and approving all normative acts of local public authorities, to ensure speedy Cabinet approval early in Year 4 and to promote it in Parliament. BRITE has already met with the chairman of the relevant parliamentary committee to brief her on the key elements of the law, so we expect no difficulty in getting it passed. We have impressed upon all parties the need to act quickly, though, if we are to have time to develop the IT solution to implement the reforms.

The essence of the reforms proposed require local public authorities to present draft normative acts to the State Chancellery in electronic form for review, comment, and

approval. Final acts will then have to be posted on the publically available Local Acts Portal. They also establish strict rules for public authorities and sanctions for not following established procedures.

In anticipation of the approval by Government and Parliament BRITE has developed the terms of reference for the development of the IT solution that will eventually link to the existing portal.

Build capacity of both private and public sectors to provide information that will facilitate entrepreneurship

This work was not completed in this project year, because it depends on the final approval of BRITE supported reforms, most of which are still in draft form awaiting approval by the Government or Parliament. Plans include practical guidelines explaining to companies how to accomplish a business operation (e.g. obtaining permits for internal trade, construction, etc. Similar work is being done in the trade area for import/export operations and key customs regimes (see Component 1).

C. Component 3: Strategic Communications

C1. Project Intermediate Result 3.1: Increase awareness and understanding of business climate reform, progress achieved to date, and new reform initiatives

BRITE's strategic communications team works to address the human element of reforms by supporting Moldovans both inside and outside governmental institutions to identify, accept, embrace, advocate for, and implement reforms more completely and effectively.

Improve GOM counterparts' communications through capacity building and targeted support (3.1.1).

Moldova State Tax Service (STS)

Media relations and customer service training for STS employees. BRITE developed a media relations and communications/customer service program for upper management at the STS, including Chief Ion Prisacaru. The training also involved role playing with a real journalist that was brought in by the trainer. The feedback was quite positive, and the communications staff of STS was enlisted by the trainer in all of the training sessions as part of a Train-the-Trainers activity. BRITE's local trainer Ludmila Andronic presented a detailed report on the training, recommending targeted follow-up trainings in crisis communication, communicating with difficult clients, internal communications, and brand identity.

Brand book revision. STS identified in early 2015 the need for revisions to its brand book due to some omissions on the part of the authority, the consulting heraldist, as well as of the design company contracted to develop the brand book. Specifically, new heraldic regulations have been implemented since the approval of the brand book in May 2014, necessitating further modifications.

The authority and the design company (contracted again by BRITE to revise the brand book) worked together to make the comprehensive list of adjustments requested by STS. STS took full ownership of the project, designated a team for the project, and has independently contracted the consulting heraldist to review the brand book on the authority's behalf. The STS' formal acceptance of the brand book was received in July 2015. BRITE printed 65 copies of the brand book to be distributed them to every regional office of the STS. STS and BRITE have signed an act of acceptance and STS is currently preparing communications trainings for its regional offices based on the brandbook and based on the TOT sessions provided by BRITE in fall 2014.

Year 3 Key Results

- Launched the 2015-16 Business Media Partnership and a new Business Media Program
- Conducted nine regional Customs outreach events
- Created and promoted the AEO logo and new outreach material on AEO and E-Customs.
- Provided technical and logistical support to the STS informational campaign regarding change in deadline for filing taxes
- Facilitated revision of the STS brand book
- Conducted media relations and customer service training for STS and MCS personnel
- Supported development of the new MCS website
- Conducted communications campaign for launch of the Blue Lane
- Supported the CEFTA Deputy Ministerial and finalized plans of CEFTA Ministerial in November 2015.



STS Brandbook Cover

Moldova Customs Service

Communications trainings for MCS staff. As a result of the positive feedback on the media trainings for STS employees, BRITE contracted its communications expert to deliver similar (but customized) trainings for the MCS. The expert met with a range of Customs employees, as well as BRITE, to assess of MCS' communication needs to develop a customized curriculum.

During May-June, general communications trainings were held for the seven regional customs houses, media communication trainings for the upper management (chiefs and subdivision chiefs) and for the communications team, as well as a training-of-trainers session. MCS personnel said they were very satisfied with the trainings, noting that the sessions were customized to the activity and the challenges of the MCS and included practical recommendations and exercises.

Moreover, the trainings for the upper management and subdivision chiefs emphasized the correct way to involve MCS' in-house communication and press officers and included simulations of press declarations and interviews. MCS General Director expressed his gratitude for the training and for the constructive and useful recommendations for approaching specific difficult cases.

Following the training, MCS requested BRITE's support in Year 4 to develop a communications module to be integrated into service's training curriculum for all new MCS officers.



Media Communications Training with MCS Director General Tudor Balitchi, Deputy Director Corneliu Trofaile and Press Relations Head Officer Tatiana Sompol.

Call Center trainings for MCS staff. Following the success of the media and general communications trainings held by BRITE in May-July 2015, the MCS has requested an additional session dedicated specifically to the division of about 10 people working for the authority's call center. The MCS' call center receives a significant amount of inquiries on a monthly basis and it is staffed at any point with 2-3 staff members who work in the center on a rotational basis. BRITE evaluated the volume and type of inquiries pertinent to economic

operators addressed by the Call Center and contracted a call-center expert to conduct a two-session training. This training also has been very popular with the MCS staff, including its PR and Internal Training divisions, which have communicated the session's utility, and expressed their conviction that regular trainings are needed.



MCS Call Center training

New MCS website. The MCS new website went live in April 2015. BRITE provided two important services to MCS in the development of the site. First, Strategic Communications Advisor Lisa Gihring provided extensive input on the architecture and content of the beta version of the site to improve the quality of information provided and user-friendliness. In addition, the project translated key information of interest to international traders into English for the site.

Ministry of Economy of the Republic of Moldova (MOE)

Support to CEFTA conferences in Moldova. The Republic of Moldova holds the Chairmanship of the Central European Free Trade Agreement (CEFTA) for 2015. As a result, the MOE, with BRITE's support, is organizing two CEFTA conferences, the first of which took place on June 29 – July 2 in Chisinau. The conferences will gather officials of the countries that are parties to the agreement and other stakeholders, including the business community, as well as multilateral donors and organizations. The overall scope of the conferences is to foster better implementation of the Agreement and promote the benefits of CEFTA through trade facilitation and investment promotion in the region.

In November, the CEFTA Week conference will be held. The conference is expected to draw up to 100 participants, including public and private sector representatives from Moldova and the other CEFTA Member Parties: Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia, and Kosovo. The event will include three half-day sessions and panel discussions on the themes of trade facilitation and liberalization of trade in services. BRITE is supporting the Ministry of Economy in agenda development, and identification of speakers and moderators, as well as all event planning logistics associated with the event.



CEFTA Meeting of the Member Countries' Deputy Ministers of Economy and Trade

Increase accountability of government by civil society and the media (3.1.2)

Business Media Program (BMP), Phase I. In 2014, BRITE launched the BMP in recognition of the fact that there is little room in the Moldovan mass media environment dedicated to business and economic news. By providing economic support and access to experts, the project hoped to increase the quantity and quality of public discourse on issues that affect Moldova's business environment and that are insufficiently covered by media.

The first phase of the BMP, implemented with BDR Associates and AmCham, concluded in early 2015. The program enlisted the participation of 10 journalists from eight media outlets and resulted in more than 40 separate media products on business environment issues, including articles, editorials, TV shows, and infographics. BDR and AmCham held seven thematic workshops for journalists and mentored them throughout the process. BRITE's technical staff also provided a significant amount of technical support.

In January 2015, an independent jury appointed by AmCham Moldova and BDR voted for the best media products developed under the program in each of the main categories: editorials, articles, TV shows and infographics. The winners are shown below.

First-level diploma/prize	Victoria Dumbrava (Agora) Mariana Tabuncic (InfoTag) Alexei Lungu (Publika TV, Banii Tai)
Second-level diploma/prize	Alexandr Tanas (InfoTag)
Third-level diploma/prize	Dmitri Kalak (Ekonomicesckoye obozrenie Logos-Press) Mariana Salamac (ECMagazinet)
Consolation diploma/prize	Ion Chislea (Economist)
Special prize for infographics	Agora (Head Editor Victoria Dumbrava)

Business Media Program, Phase II. Following the end of the Business Media Program, the BRITE team held discussions and consultations with partners from business networks, media companies, PR specialists, and USAID to develop the concept for the next phase of the Business Media Program. Based on these discussions, BRITE finalized a concept and issued a call for expressions of interest from qualified media companies. Each was required to nominate and dedicate at least one journalist to work with BRITE for the duration of the program (initially six months with an option to extend six months). Three companies were selected, representing a mix of online and print publications: Mold-Street (online, Romanian); ECONomic Magazin (print and online, Romanian); and Logos-Press, the longest standing and most reputable business publication in Moldova, (print, Russian). It is notable that BRITE has managed to convince Logos-Press, given its particularly strict editorial policy, to take part in the program and produce materials on topics related to BRITE reforms.

To date, 14 journalistic pieces from the June-September 2015 period have been published. Of these, two are interviews, two are editorials and ten are analyses or investigations.

Given that the journalists are all the leading specialists, and there are so many subjects to cover, the quantity of the materials received to date under the BMP is less than expected. Still, the second phase of the BMP focuses primarily on the quality and depth of the writing and not on the quantity. One challenge that journalists are facing when developing stories on issues pertaining to BRITE is that economic operators are often not willing to speak to journalists and are afraid of the consequences the state may apply to their particular company. To address this and have a greater impact, BRITE will launch a multi-media communications campaign to bring the issues to the public foreground and raise more awareness on the reforms (see below). In the current phase of the BMP, BRITE is looking to expand its contracts with the participating media institutions and identify new partners based on its needs.

Multi-media campaign to promote government accountability on business reforms. As part of its continuing efforts to advocate for reforms, BRITE developed a concept for a multi-phased, multi-media campaign designed to create demand for reforms to improve the business environment in general, to highlight the costs of not reforming, and to highlight the difficulties businesses face in trying to conduct their activities. The objectives of this campaign are to:

- Educate and inform business owners regarding the costs imposed on businesses and the economy of not reforming;
- Empower business reform by illustrating the difficulties businesses face to be in voluntary compliance with Moldovan government regulations;
- Put pressure on decision makers to enact reforms to improve the business environment;
- To increase knowledge of and adherence to reformed business processes.

The campaign targets Moldovan government policy-makers, service providers in the Moldovan government, the business community (in particular small and medium business owners), the Moldovan general public, and Moldovan civil society (business associations). The communications campaign is multi-phased, and will focus on various themes including: predictability and transparency in government decision-making; relinquishing more government responsibility to the private sector; moving from paper-based systems to e-services to reduce costs and eliminate corruption; and increasing conformity with EU standards.

The campaign will last seven months, from November 2015 – May 2016. BRITE released an RFP and selected a company – Casa Imago— to partner for the campaign.

Develop and implement communications strategies for BRITE-supported reforms (3.1.3)

State Tax Service

Informational campaign on the change of the deadline for filing taxes to March 25. Based on a December 2014 government decision, the deadline for tax filing was changed from March 31 to March 25. Although this was not a project-supported reform, BRITE agreed to support the STS to develop and implement an information campaign to help inform taxpayers about the change, so they could plan accordingly and thus avoid fines, BRITE agreed to support the STS to develop and implement an information campaign. In addition to informing taxpayers, through the development of the campaign, BRITE continued its efforts to build the capacity of the STS’ communication team, and that of other STS personnel involved in the planning efforts.

BRITE contracted a Moldovan firm to produce in cooperation with STS the message of the campaign and a graphic video spot about the deadline change. The video spots and related audio spot have were broadcast on seven local TV channels, and eight radio stations, in commercial centers (including the central market), 80 trolleybuses and 20 buses, social media, etc.



The firm also designed posters and banners to be placed in public places such as post offices, city halls, and streets. More than 4,000 posters were distributed and 25 street banners placed across the country. The campaign design was also adapted into images for social media and web banners for various local websites.

Throughout the implementation of the campaign, BRITE also supported STS with project management assistance and regular feedback. At BRITE’s urging, the STS also spread the message through TV appearances by STS leaders such as Ion Prisacaru and Veronica Vragleva, via regular social media posts, and a press club for journalists.

Moldovan Customs Service

Authorized Economic Operator logo and communications materials.

The introduction of an Authorized Economic Operator (AEO) program in Moldova is part of the MCS’ efforts to implement risk-based controls, facilitate legitimate trade and meet its DCFTA commitments. Via the program, companies with a record of compliance and reliable internal compliance systems can be granted AEO status and, as a result, obtain the benefits of simplified clearance procedures. One



AEO brochure cover

feature of these programs worldwide is a unique brand/logo that will distinguish authorized AEOs, and can be used not only by Customs but by the AEOs themselves. MCS requested BRITE's assistance to develop this logo for Moldova. BRITE hired a local firm to produce several unique logo concepts, together with the MCS. MCS selected its preferred logo concept (see below) and a relevant user book has been developed.



Examples of the AEO, Blue lane and e-customs promotional materials distributed at the Customs Regional Conferences for economic operators

Following development of the logo, BRITE supported the MCS to develop AEO promotional materials. A trifold leaflet has been designed, printed, and distributed at customs posts, and informational panels were created for use at BRITE-sponsored regional conferences with economic operators. BRITE also developed an info-graphic for use on the MCS web page and for other online media. BRITE also printed and disseminated posters to each border posts.

E-customs promotion. As 60 percent of all export declarations are still filed in paper form, BRITE and the MCS decided to work together to do more outreach on electronic declarations to relevant exporters. The project supported the development of two informational flyers that assemble, with a few updates and adjustments, the existing infographics on e-export. Notably, the flyers also clarify that an exporter can use the e-export platform either on their own, or with the support of their customs broker, addressing the concern that some brokers may not be offering e-export to their clients. The flyers were mailed to exporters and distributed at events.

“Stages of Electronic Export” flyer

In addition, BRITE has updated the info graphics available on the MCS website, and has updated MCS' e-customs site with information on new reforms such as e-import and the Blue Lane.

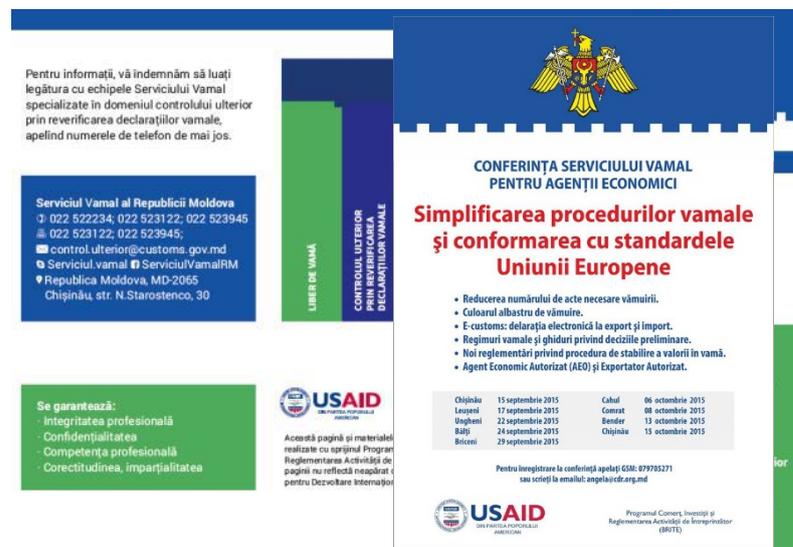
Communications campaign on the Blue Lane and desk audit mechanism. In June, the MCS announced the implementation of a new control mechanism designed to simplify customs clearance procedures: selected transactions will be directed to the new customs Blue Lane, allowing them to be released without customs control, but subject to a subsequent post-clearance desk audit. In addition to trainings of the customs specialists by Nigel Moore, BRITE worked with the MCS communications team and the post-clearance control

subdivision to promote the new mechanism and the Blue Lane. BRITE assisted MCS to develop Blue Lane brochures in three languages and contracted a local company to design the brochures in a similar style as the e-export flyers. The fliers were distributed through regional events in September and October 2015 and on the MCS website.

Regional events to promote new Customs programs and procedures. More than 350 importers, exporters, carriers, and customs officers participated in a series of regional conferences on the benefits of the simplification of customs procedures. Nine events, organized with BRITE's support, took place in seven customs houses across the country—Chisinau, Leuseni, Ungheni, Balti, Briceni, Cahul, Bender, and Comrat. The half-day sessions focused on: reduced number of documents for customs clearance, AEO, authorized exporters, simplified procedures, blue lane, e-customs, and pending amendments to the customs valuation process. Each presentation was followed by a Q&A session.

The information sessions were delivered by representatives of the Customs Service: Corneliu Croitoru, head of Customs Control Organization Division; Octavian Andruscenco, head of the Post Clearance Control Division; and Eduard Frumusachi, head of the Customs Value and Goods Classification Division; and the heads of regional Customs Offices. The speakers engaged with economic operators in discussions about the customs simplified procedures, e-Customs, and new regulations on the procedures for determining customs value. Economic operators exhibited a particular interest in the benefits of becoming an Authorized Economic Operator, the advantages of using electronic declaration versus paper declarations, the procedure of obtaining the digital signature, and specific steps in performing the electronic import and export, as well as the procedures to be followed when a declaration is routed to the Blue Lane.

The BRITE team worked closely with the MCS to identify its target audience and reach out to it, tailor the presentations, and engage online and print mass-media representatives. Overall, more than 12 national and local media outlets participated in the regional conferences and informed economic operators and the wider public from eight key-regions of



Blue Lane Brochure Cover

Moldova on the improvements of customs procedures. BRITE promoted the events via social networks, by placing announcements in regional newspapers, and distributing informative posters in customs offices. BRITE also developed information packets to be distributed to participants, including leaflets/brochures (on AEO status and benefits, steps and advantages of electronic export, as well as the Blue Lane), electronic versions of guides on Binding Origin information and Temporary Admission of Goods, as well as animated videos and info graphics on key customs procedures that have been simplified.

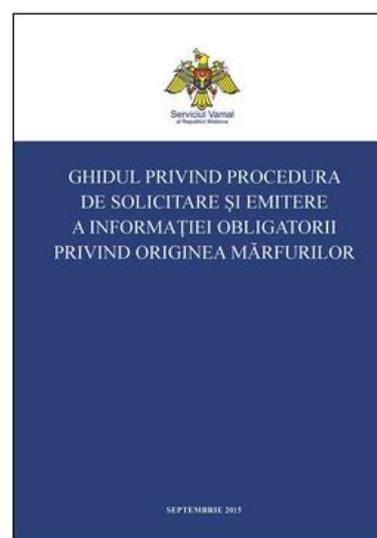
The regional events will continue to have positive effects on the MCS' communications to economic operators. A database of economic operators has been developed, which can be used for future public discussions. During the conference, the MCS encouraged economic operators to be proactive in their communication with the Customs Office and report issues related to Customs procedures.

Develop “how-to” guides on BRITE-supported reforms for publication relevant website and dissemination to targeted audiences (3.1.4)

Customs Guides for Traders. BRITE supported the development of “how-to” guides for both Customs officers and for economic operators. The detailed procedural manuals for Customs officers are simplified for dissemination to economic operators. Topics include inward processing and origin of goods. The simplified guides were posted on BRITE's and the MCS' website, publicized through social media, and distributed through Customs events. New guides on Temporary Admission and Advanced Rulings are now under development.

Project communications (3.1.5)

Website and Facebook. BRITE regularly updates its website with the latest events, stories and publications; a range of BRITE news is shared by AmCham Moldova and EBA Moldova on their website. The BRITE Facebook page includes the status of the project's and partners' current activities, and posts are actively shared by the Economic Council's page, USAID Moldova's page, and our stakeholder Moldova Customs Service of Moldova's Facebook page. BRITE's Facebook page has reached more than 1060 likes.



Guide on Origin of Goods Cover

Published	Post	Type	Targeting	Reach	Engagement	Promote
10/15/2015 2:05 pm	 USAID Business Regulatory, Investment, and Trade Environment Program shared Serviciul Vamal al			51 	0 0 	Boost Post
10/15/2015 10:21 am	 USAID BRITE prezinta Studiul privind procedurile de import/export al produselor sanitar-veterinare si fi			264 	52 10 	Boost Post
10/15/2015 9:43 am	 Astazi are loc ultimul eveniment din seria Conferintelor Serviciului Vamal pentru agentii economici. Ast			38 	1 0 	Boost Post
10/12/2015 5:19 pm	 Începând de astăzi, puteți consulta Ghidul privind procedura de solicitare și emitere a informațiilor oblig			263 	8 6 	Boost Post
10/12/2015 9:38 am	 Pe 8 octombrie 2015, în incinta postului vamal Comrat, 39 de agenți economici au beneficiat de o sesiune			302 	246 6 	Boost Post
10/08/2015 2:40 pm	 Expertul internațional Jerry Taylor se afla într-o vizită de 2 săptămâni la USAID BRITE și va acorda sesi			517 	54 17 	Boost Post
10/06/2015 12:00 pm	 23 de agenți economici din sudul Moldovei au participat pe 6 octombrie 2015 la o discuție cu reprezent			292 	330 5 	Boost Post
10/05/2015 1:01 pm	 Conferințele regionale ale Serviciului Vamal continuă. Măine expertii vamali se deplasează în sud - la C			86 	3 1 	Boost Post
09/24/2015 12:00 pm	 Aproximativ 550 importatori, exportatori, transportatori și brokeri vamali participa, în perioada 15 septem			624 	733 15 	Boost Post
09/23/2015 12:04 pm	 Au mai rămas 6 evenimente regionale în birourile vamale din țară. Până pe 15 octombrie agenții econ			379 	5 9 	Boost Post
09/23/2015 10:22 am	 Tot mai mulți agenți economici vamuiesc electronic pentru a economisi timp și bani. http://unimedia.info/comunicate/d			328 	18 9 	Boost Post
09/22/2015 12:00 pm	 Genericul Conferințelor organizate în perioada 15 septembrie - 15 octombrie 2015 este "Simplificarea"			265 	201 7 	Boost Post

D. Project Support for Crosscutting Goals

Gender. We stress gender awareness throughout BRITE activities, using gender-sensitive messages in our communications and prioritizing economic reforms that benefit men and women equally. We have required and will continue to request that GoM and private sector counterparts maintain a minimum percentage of female participants in BRITE-sponsored training. BRITE continues to exceed its target of 45 percent female participant in its sponsored activities/events (47% in Year 3).

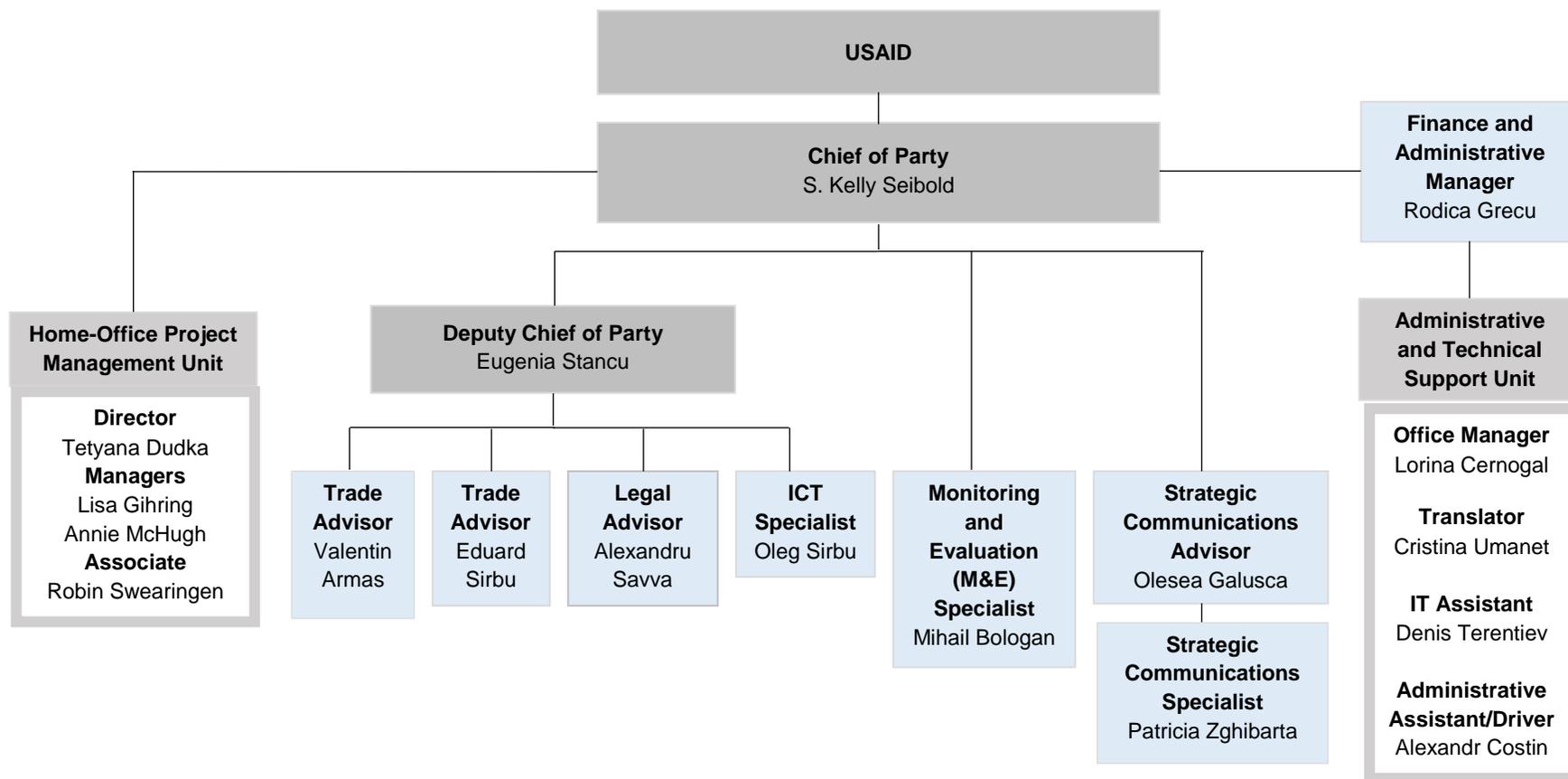
Anti-corruption. Corruption exists at all levels of government in Moldova, and unfortunately, is often accepted by the public as part of life. BRITE must be vigilant in recognizing, and thwarting, opportunities for corruption. On Component 1 and 2 activities, BRITE's activities are heavily weighted toward process improvements and automating those processes through electronic means (e-services), thus removing to a large extent the human element and the unnecessary discretion of bureaucrats. In Year 4 our strategic communications activities, particularly the new business media program, will address issues non-transparency, government overreach, excessive control, and corruption head-on.

Geographic focus. We will take several steps to ensure that Moldovans across the country benefit from BRITE's work. This aim is especially important because the *Doing Business* survey is often accused of ignoring rural areas. Two key reform initiatives – construction permits and internal trade permits specifically target municipal authorities and hope to improve the business environment at the local level. Our pending proposals on the local acts portal are intended to increase transparency in local regulations and create local support for regulatory reform. Finally, the new media program will ensure nationwide coverage of reform messages and “calls to action”.

Substantive use of local experts and organizations. As described previously, we see Moldovan partners and personnel as critical to the success of our overall approach. The original design of our management structure was purposefully lean to ensure that our long-term team was flexible and able to engage Moldovan organizations and consultants throughout implementation. As our activities expanded, several of these previously short term providers have now joined the project as long-term staff (see organization chart). Our partnerships also expanded in Year 3 to include business associations, local media outlets, design firms, event organizers, and communications specialists. In Year 4 we plan to engage more local IT service providers, law firms, media companies, and specialized technical assistance providers in public procurement, customs and trade, and legal drafting.

ANNEX A - PROJECT ORGANIZATIONAL CHART

Moldova BRITE Organizational Chart



ANNEX B – YEAR 2 FINANCIAL SUMMARY

Year 3 October 2014 – September 2015													
Cost Category	October	November	December	January	February	March	April	May	June	July	August	September	Total Y3
I. Salaries	\$49,061	\$41,657	\$39,037	\$34,402	\$40,698	\$34,670	\$36,703	\$63,291	\$38,494	\$65,190	\$43,677	\$65,243	\$552,123
II. Fringe	\$23,698	\$16,958	\$17,826	\$17,394	\$21,013	\$17,267	\$16,943	\$17,632	\$17,817	\$21,294	\$19,779	\$23,946	\$231,567
III. Overhead	\$35,824	\$30,131	\$29,069	\$26,322	\$32,380	\$26,421	\$27,386	\$42,476	\$28,625	\$46,577	\$33,163	\$48,182	\$406,556
IV. Travel and Transport	\$1,565	\$338	\$67	\$556	\$2,179	\$9,723	\$1,016	\$55	\$2,974	\$634	\$7,781	\$12,535	\$39,423
V. Allowances	\$9,673	\$7,389	\$11,261	\$2,087	\$6,902	\$5,276	\$7,164	\$4,640	\$15,078	\$11,059	\$6,132	\$7,275	\$93,936
VI. Other Direct Costs	\$23,734	\$5,955	\$3,611	\$11,671	\$10,370	\$6,874	\$6,137	\$7,879	\$6,926	\$8,517	\$7,027	\$6,060	\$104,761
VII. Equipment, Vehicles and Freight	\$0	\$0	\$766	\$2,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,434
VIII. Training	\$1,172	\$8,327	\$5,137	\$0	\$142	\$102	\$43	\$3,735	\$6,592	\$4,035	\$30	\$545	\$29,860
IX. Moldovan Partners Fund and EIF	\$23,771	\$10,229	\$47,072	\$0	\$2,895	\$33,919	\$551	\$20,303	\$0	\$28,447	\$4,302	\$28,482	\$199,971
X. G&A	\$9,756	\$7,005	\$8,908	\$5,506	\$6,750	\$7,773	\$5,555	\$9,265	\$6,746	\$10,755	\$7,058	\$11,132	\$96,209
XI. Fixed Fee	\$10,606	\$7,615	\$9,684	\$5,986	\$7,338	\$8,451	\$6,039	\$10,072	\$7,333	\$11,692	\$7,672	\$12,102	\$104,590
XII. Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Monthly Total	\$188,860	\$135,604	\$172,438	\$106,592	\$130,667	\$150,476	\$107,537	\$179,348	\$130,585	\$208,200	\$136,621	\$215,502	\$1,862,430

ANNEX C – PERFORMANCE MONITORING AND EVALUATION - YEAR 3 RESULTS

Nr.	Indicator	Unit	FY2013	FY2014	FY2015		Target Achieved (Yes/No)	Comments
			Actual	Actual	Actual	Target		
BRITE Program Objective: Identify and Implement Business Environment Reforms Through Increased Public Private Dialogue and Improved Institutional Capacity								
1	Percent improvement in raw values of the indicators underlying BRITE-related areas of the World Bank Doing Business rankings	%	4.4	13.5	8.6	4.0	Yes	Moldova improved its current raw scores in Doing Business thanks to the reduction of the number of documents for customs clearance, improving the Starting a Business and the Protecting Minority Investors scores. The target of 20% improvement in these scores set for the life-of-project was already achieved.
2	Monetized benefit of BRITE-sponsored reforms to the private sector	ml. USD	4.7	48.5	146.4	35	Yes	The life-of-project target was already achieved for this indicator.
3	Monetized benefit of BRITE-sponsored reforms to the public sector	ml. USD	0.8	3.6	4.5	46	No	The benefits provided to the private sector far outweigh the sum of the targets of benefits for both private and public sectors. As shown during the implementation of the project, the initial target of 100 mil USD benefits for the public sector is unrealistic, as BRITEs activities focus heavily on creating benefits for the private sector and opportunities for large cost savings in the public sector are few.
4	Number of activities and initiatives, supported by BRITE, and involving the participation of businesses in PPD	area	12	19	13	15	No	The overall number of activities was large, however, for this specific definition, only 13 counted. We expect more PPD events in FY2016, which will ensure the achievement of the life-of-project target and compensate the missed target for FY2015.
5	Percent of private sector representatives that consider having benefited from reforms implemented with BRITE assistance	%	47.4	62.5	19.5	60	No*	The figure 19.5% refers to the companies that indicated having benefited from 5 recent reforms in trade sector only. The previous surveys showed that already 62.5% of companies have benefited from at least one reform. We are looking forward to confirm this result in the last private sector survey, when the companies will be asked about all major reforms implemented with BRITE assistance.
6	Number of regulations and administrative procedures eliminated, streamlined or simplified with BRITE support	#	12	13	11	16	No	Although only 11 reforms count for this indicator, there are more than 15 ongoing reforms, some of which are basically finalized normative acts which need Governmental or Parliament approval. We expect to achieve the life of project target.
7	Person hours of training provided by USG	#	1,538	1,276	3,533	1000	Yes	The life-of-project target was already achieved for this indicator.
8	Proportion of female participants in BRITE-assisted activities, initiatives and events	%	55.8	48.8	46.6	45	Yes	The target was achieved in each year individually.
Component 1 – Taxes and Trade								
IR 1.1 – Improved tax administration reduces the administrative burden of paying taxes while increasing revenue collection								
9	Number of hours required to pay taxes each year	#	181	185	186	176	No	No changes, according to the Doing Business report. However, the private sector surveys made by BRITE suggest that the time to pay taxes is continuously decreasing.

Nr.	Indicator	Unit	FY2013	FY2014	FY2015		Target Achieved (Yes/No)	Comments
			Actual	Actual	Actual	Target		
10	Number of tax payments businesses must pay each year	#	31	21	21	20	No*	No changes compared to the previous year, but the result is very close to the target. We expect major improvements to this indicator after implementing the single account at STS.
11	Private Sector perception index score for paying taxes	1 (very difficult) - 5 (very easy)	3.97	3.79	3.30	4.2	No	This is a context indicator and relies on the perception of the taxpayers. Generally, there is higher-than-average perception. We expected that this perception would further increase, which didn't happen. We expect that the single-account implementation will enable businesses to perceive paying taxes even easier.
12a	Time to export	Days	32	23	10	20	Yes	According to Doing Business 2016 report, using the new methodology, the time to export is very low 51 hours, but it considers less factors than the previous methodology. However, in order to remain conservative, we made a separate estimation and came to conclusion that according to the initial methodology, the time to export should not exceed 10 days. We'll make an assessment before the end-of-project to come with an exact estimate.
12b	Time to import	Days	35	27	10	24	Yes	Similar to 12a, the time to import according to the new Doing Business Methodology is less than 8 hours. We will investigate this matter in FY2016 and will come with more accurate results by the end of the project.
13a	Number of documents required to export goods across borders	#	7	9	7	6	Yes*	According to Doing Business 2016 report, there are 7 export documents. However, not all of them are mandatory or presented by most exporters.
13b	Number of documents required to import goods across borders	#	8	11	6	6	Yes	According to Doing Business 2016 report, there are 6 import documents, however only 3 are mandatory now.
14	Moldovan Exports and Trade diversification index	1 (very low) - 5 (very high level)	3.07	3.02	2.45	3.25	No	This is a context indicator which reflects the dynamics of the Moldovan exports. Currently, the value is below the targeted average, mainly because of external factors, such as Russian embargo, war in Ukraine, current economic problems in Moldova and the political situation.
Component 2 – Other High Impact Reforms								
IR 2.3. Institutionalize good regulatory practice through capacity building and improved public-private dialogue (PPD).								
15	Percent of RIAs approved by the National Working Group from the first reading	%	22	29	29	40	N/A	This indicator will be updated in FY2016, based on a separate assessment of the RIA Working Group. Currently, the RIA consultants aren't subcontracted by BRITE, thus they do not provide information in the format we previously required.
Component 3 – Strategic Communications								
IR 3.1. Increased awareness and understanding of business climate reform, progress achieved to date, and new reform initiatives.								
16	Percent of private sector representatives that are aware about the reforms implemented with BRITE assistance	%	0.4	11.1	22.7	25	No*	The figure 22.7% refers to the companies which responded that are aware about 5 recent reforms in trade sector only. Thus, we have confidence that more than 25% of the respondents are aware of at least one reform implemented with BRITE support. The final private sector survey should demonstrate this. We expect to receive a figure higher than 60%.

Nr.	Indicator	Unit	FY2013	FY2014	FY2015		Target Achieved (Yes/No)	Comments
			Actual	Actual	Actual	Target		
17	Number of articles in print media, as well as TV and radio segments, devoted to the specific reforms and project initiatives to improve the business enabling environment	#	31	83	44	50	No	We expect in the next year a greater media impact due to media campaigns started by BRITE and that will be run during FY2016. We had several subcontractors who haven't written the specified number of articles, according to the contract. Also we have been conservative in our approach towards this indicator and haven't counted news released by news agencies and public institutions.
18	Percent of private sector representatives that respond positively regarding the speed and transparency in the activity of public institutions receiving BRITE assistance.	%	30.2	53.3	39.15	50	No	This is a context indicator and relies on the perception of the businesses. Generally, more businesses have a positive perception than those which have a negative one regarding speed and utility of response and the transparency of three institutions: STS, MCS and ANSA. The indicator for STS is much better, however, for MCS and ANSA the perception are lower.

Progress toward PMEP Targets

BRITE was doing well in meeting its main targets through FY2015. For some indicators, the annual target for FY2015 wasn't met, but the work done should yield even higher results in FY2016, thus virtually all life-of-project targets are likely to be met.

- The World Bank Doing Business report released in October 2015 and which reflects the changes in Doing Business until June 2015 with several changes in methodologies. The Trading Across Borders suffered major changes and Moldova's ranking according to the previous methodology was 152th, but according to the new one it is 33rd. There is progress regarding starting a business, and there are fewer documents to import and export, compared to the last year presentation. There are some changes in Protecting Minority Investors area, mostly improvements, and no changes in Paying Taxes.
- After the end of the third project year, a total of 199.5 mil USD of savings were counted for the private sector and another 9 mil USD for the public sector. In total, BRITE already has achieved a total of 200 mil USD saving for both public and private sectors.
- BRITE already implemented 44 activities involving PPD and it is very likely that the life-of-project target (55) will be met, as there will be a lot of discussions with the private and public sector during the next months for promoting reforms.
- During our last private sector survey, 19.5% of all businesses were aware about at least 1 of 5 recently implemented reforms by BRITE – all in international trade. Looking broader, we expect at the last private sector survey, which between 60 and 75% of respondents will be aware about at least on reform implemented by BRITE since the beginning of the project.
- At present, there are 36 regulations and administrative procedures streamlined or eliminated, with BRITE support. There are good chances to achieve more in FY2016, as there are already another 15 initiatives pending implementations, some of which depend only on a final approval by the Government.
- BRITE already achieved the target of offering more than 5,536 hours of training, reaching at present 6,347 man-hours, and this indicator will increase further in FY2016.
- The proportion of female participants in activities organized with BRITE support was above 45% in each year. On average, this value is 50%.
- The ease of paying taxes is getting worse from one private sector survey to another. If initially, the index was 3.97 for a scale between 1 (very difficult) to 5 (very easy), now this indicator is 3.3, which means just above the average.

- As Moldovan trade is getting worse, our context indicator – Moldovan Exports and Trade diversification index is decreasing, reaching the value 2.45, which is below the established “normal evolution of exports” – 3.0. However, during the first two years of project, the indicator was above the average and has been increasing. Only this year it got worse because of the embargo from Russia and the conflict in Ukraine.
- Regarding the media impact produced by BRITE, in the current year there have been recorded 44 appearances/mentions about BRITE, which is less compared to the previous year (83). However, the life-of-project target of 200 could be reached if at least 42 media stories are recorded in the FY2016.

Results of Private Sector Surveys

BRITE subcontracted AOCDER “Promo-Terra” to perform the data collection for the fourth private sector survey, targeted at 1,000 private companies as part of BRITE’s ongoing monitoring and evaluation efforts, as well as to obtain useful information for future programming for the final year of the project. Some major findings of the survey:

- About 87.1% of companies have access to Internet and most of them use social networks for professional purposes.
- The STS web pages are very popular among the economic agents, who get information about the reforms and other necessary information for businesses. More than 85% of companies enter each of these web pages from time to time.
- Regarding transparency, speed of response and the utility of the response, STS is better positioned compared to the Customs Service and to ANSA. Thus, 47.4% are fully satisfied with STS, 37.0% with Customs Service and 33.2% with ANSA.
- Still, the accountants prefer to communicate with the tax inspectors directly, either by visiting their offices, or by calling them by phone. No matter the type of communication, the taxpayers consider it useful, especially when coming directly to the territorial offices.
- Most named reforms in an open question, by the respondents were: digital signature (41.9%), E-reporting service (32.4%) and E-Invoice service (30.0%). In total, the respondents named 25 reforms, mostly related to e-services.
- For a company, it takes on average 203 days to get a construction permit, including 60 days to get the urban certificate, 57 days to obtain the construction authorization and 86 days for the final reception.
- About 56% of all companies surveyed have a trade authorization, especially large companies, VAT-payers, and companies from Trade and Construction. It takes on average 17 days to get a trade authorization. The experience regarding getting this certificate is different; there are a lot of companies complaining that the process was difficult, while others – that it was easy.
- Less than 15% of total companies have participated in public procurement procedures. However, most of them aren’t satisfied with the transparency, timeliness and correctness of the procedures. Only larger companies have higher level of satisfaction regarding the experience with the public procurement procedures.
- By far, STS’s web page fisc.md is the most popular source of information about reforms for the businesses – 75% of total, followed by the “Contabilitate si audit” magazine – 58% and contabilsef.md portal – 44%. In total, the respondents named 55 different sources of information about the business reforms.
- The companies which perform international trade interact less frequent with the Customs Service, comparing, let’s say, to STS. In general, they consider the interaction being useful. The most interaction happens in customs territorial offices, and least frequent are the calls on the hot-line and sending e-mails.

The following results relate only to the companies that perform international trade:

- Most companies (80.5%) use only the customs brokers’ services for customs procedures.

- Most frequently named reforms at Customs, in an open question, were the electronic declaration (in general – 11.7%), reduced number of documents – 10.7%, blue lane – 7.1%, e-export – 5.2% and e-import – 3.2%. A total number of 14 different reforms/changes were mentioned.
- Regarding the difficulties encountered in Customs procedures, 26 categories were named, more frequently: high tariffs – 23.5%, difficult clearance – 11.3% and bureaucracy – 9.3%
- The time to register the company at the Customs Service is about 10.3 hours, i.e. a little more than one working day. More companies consider this procedure difficult, than those which consider it easy. However, 63% consider it neither difficult, nor easy.
- On the other hand, 32.5% of importers and 39% of exporters consider that the customs procedures became easier over the last year, while only 15% of importers and 10% of exporters said it became more difficult.
- About 28.5% of the companies need permissive acts to perform imports/exports, mainly from ANSA (15%), Ministry of Agriculture (12.2%), Licensing Chamber (10.4%) and the Ministry of Health (7.1%).
- Almost all companies which import or export products of animal or vegetal origin have to follow several procedures at ANSA, each of which takes between 2 and 4 days. Also, for each procedure, there is a cost which ranges between 195 and 449 MDL. Thus, there is a potential impediment for importing/exporting such goods because of large costs and time necessary to perform the procedures.

Survey of Top 100 importers and top 100 exporters

- About 90% of the companies listed in the top 100 importers and/or top 100 Moldovan exporters in 2014 use customs brokers' services in order to perform the customs procedures.
- The top trading companies use more frequently than average the e-export procedure (63.2%) and e-import procedure (25.5%).
- There is no single important reason why some companies don't use e-export procedure, the possible factors ranging from unwillingness to switch from paper declaration, lack of qualified personnel, exporting in groupage, low volume of exports etc.
- The level of satisfaction regarding using e-export and e-import is very high, mostly because time and money savings, faster procedure and because the procedure itself is more convenient. Regarding problems using e-export procedure, the main one is technical problems with Asycuda.
- There is a general high level of satisfaction regarding how the Customs Service communicates to the businesses about e-import, e-export and AEO.
- The companies mentioned three main reasons for not using e-import: importing in groupage, the reform was recently implemented and that there are gaps in using e-import. Other two reasons are: the companies import mainly products of animal or vegetal origin; and the companies require more information about the procedure.
- Less than half of companies make imports and/or exports in groupage, however, their share in total imports/exports is usually less than 20%.
- Only 16.1% declared they are AEOs or 27 out of 137 interviewed companies.
- There are several reasons why companies don't have the AEO status. Most of them mention they don't meet the conditions (recorded frauds, internal control systems, etc.); others aren't aware about what AEO represents and how they could benefit from being an AEO; some consider the benefits as nonessential.

ANNEX D: 2016 DOING BUSINESS RESULTS SUMMARY

The new report “Doing Business 2016”, issued on October 27, 2015, ranks Moldova three positions lower than the revised Doing Business 2015 ranking. When 2015 report was issued, Moldova ranked 63rd and now ranks 52nd according to Doing Business 2016. However, the World Bank regularly makes changes to the indicators and rankings between issuing these reports and even retroactively adjusts some of the data. The changes this year stem mostly from an entirely new methodology in the area of Trading Across Borders (TAB). The registered ranking for the last year was 152nd among 189 economies, but according to the new methodology, that ranking was revised to 32nd, while the ranking for 2016 is 33rd, a drop of one position in the ranking. The TAB methodology largely eliminates the impact of external costs for landlocked countries, which included Moldova. The focus now is on domestic/internal trade times and costs.

Another important measure to show how Moldova performed relative to top economies is the *Distance to frontier (DtF)*. Overall, there is a 0.21 percentage point increase in this indicator compared to last year, meaning Moldova has moved closer to “best practices”. The most significant improvement came in the area of Starting a Business, one area where Moldova already ranked highly. The other rankings are displayed in the table below.

Table B1.1. Moldova’s Doing Business Performance 2016 vs. 2015

DOING BUSINESS TOPICS	2016 Rank	2015 Revised Rank	Change 2016/2015
Starting a Business	26	35	+9
Dealing with Construction Permits	170	169	-1
Getting Electricity	104	100	-4
Registering Property	21	20	-1
Getting Credit	28	24	-4
Protecting Minority Investors	36	33	-3
Paying Taxes	78	69	-9
Trading Across Borders	33	32*	-1
Enforcing Contracts	67	66	-1
Resolving Insolvency	60	59	-1
Ease of Doing Business (overall ranking)	52	49	-3

* - The methodology changed and the 2015 Rank was revised accordingly.

Protecting Minority Investors. BRITE offered support to the MoE in developing a set of amendments to the Law on Joint Stock Companies, which will significantly increase the level of protection of minority shareholders, and respectively will improve the ranking for Moldova. However, the World Bank did not consider the amendments for Doing Business 2016, due to the fact that the Parliament enacted the amendments after the period of

evaluation. Other changes haven't been recorded for the 2016 report and Moldova stays relatively high in the rankings at 36th.

Trading Across Borders. Although there is plenty of evidence of improvements in trading across borders and customs procedures with BRITE support, the change in Moldova's ranking in this area came only by changing the methodology, which eliminated the costs associated with moving goods to and from the Odessa port. According to the new methodology, land routes to Russia (for exports) and from Turkey through Giurgiulesti BCP (for imports) are used for Moldova. The time for clearance is short, the number of documents is less, although for the specified goods, in reality it's likely even shorter. Also, the transportation time within Moldova is quite short.

The same situation is with the export and import documents – the list became shorter, but it still does not correspond to reality, at least as described in the new methodology. For example, the list of export documents for “Electrical machinery, sound recorders and reproducers, television image and sound recorders, and parts thereof” includes a license and an excise stamp that are not required for this type of export in Moldova. A quick analysis of the documents according to the TAB methodology is presented below.

Export documents (to Russia)	Product: Electrical machinery, sound recorders and reproducers, television image and sound recorders, and parts thereof
Certificate of origin	Not mandatory from the perspective of customs legislation. Nevertheless it is usually required by the Importer from the Russian Federation to qualify for exemption of the customs duties. This may be attached to an export declaration or issued retroactively.
Certificate of quality	Not mandatory from the perspective of customs legislation. Such documents are issued by the manufacturer and are not considered permits.
Commercial invoice	Mandatory
Contract	Not mandatory from the perspective of customs legislation. No reason to be attached to a customs declaration. It breaks the legal provision of the GD no. 279 of May 20, 2015 that stipulates that only 3 documents shall be legally requested by MCS for lodging a SAD and are enough for an approval of SAD.
Customs Export Declaration	Mandatory
Excise stamps	Not mandatory from the perspective of customs legislation. Auto parts are not an excisable good in Moldova and excise stamps shall not be applied to this type of good (stamps are applicable only to alcoholic drinks and cigarettes). No reason to attach it to the export declaration.
License	Not mandatory from the perspective of Moldavian legislation. The export of auto parts is not a licensed activity in Moldova and thus no license is required for export. No reason to attach it to the export declaration.

Import documents (from Turkey)	Product: Parts and accessories of motor vehicles
Certificate of origin	Possibly mandatory from the perspective of customs legislation. While Moldova and Turkey signed a FTA in September 2014, it has not been ratified by the Parliament, so presently there are no exemptions for the importation of this product.
CMR waybill	Mandatory
Commercial invoice	Mandatory
Customs Import Declaration	Mandatory
Packing list	Not mandatory from the perspective of customs legislation.
Sales-purchase contract	Not mandatory from the perspective of customs legislation. GD no. 279 of May 20, 2015 stipulates that only 3 documents shall be legally requested by MCS for lodging a SAD – invoice, CMR, and compliance document, if needed. This legal change likely came too late to be reflected in the indicator for 2016.

Despite these inconsistencies that in our view overstate the cost of trade, this new approach has suddenly catapulted Moldova into the top tier of trade destinations, making it faster and cheaper than many OECD countries (see rankings below in blue). The Distance to Frontier for this area is 92.39%, which means that it will be difficult to make other major improvements, as the raw data are so close to the best ranking countries in the TAB area.

Measure	Moldova	Europe & Central Asia	OECD High Income
Time to export: Border compliance (hours)	3	28	15
Cost to export: Border compliance (USD)	76	219	160
Time to export: Documentary compliance (hours)	48	31	5
Cost to export: Documentary compliance (USD)	44	144	36
Time to import: Border compliance (hours)	3	23	9
Cost to import: Border compliance (USD)	83	202	123
Time to import: Documentary compliance (hours)	2	27	4
Cost to import: Documentary compliance (USD)	41	108	25

Paying Taxes. After an important improvement registered during the last report that recognized the on-line procedures of paying taxes, in the 2016 report there were no changes. The time to pay taxes has increased by one hour, reaching 186, while the number of payments remains 21. According to the current methodology and considering the progress towards reforming this area in Moldova, it is less likely that further improvements could be made, apart from fully implementing electronic filing of medical taxes. BRITE's initiative to implement a single payment for a number of taxes could possibly get reflected in the results.

Starting a Business. Moldova reached a high level of DtF for this indicator – 94.17%, which means registering a business in Moldova is virtually as easy as in the top performing economies. The number of procedures dropped to four; however registering at NBS is not mandatory and not necessary, although this aspect is still included in Doing Business report. Other two procedures, of registering with CNAS and CNAM are not mandatory or even necessary, as these two institutions, like NBS, get the data about the newly registered business from the Registration Chamber. Regarding this aspect, and considering that having a stamp is not mandatory for opening a business, there is still room for improving Moldova's ranking in this area.

Dealing with Construction Permits. Currently, this area is the only one among the selected Doing Business areas where Moldova's ranking is among the lowest (170th). The next lowest is in Getting Electricity (104th). It shows that there remain serious problems for Moldovan companies in obtaining the construction permits and following all the necessary procedures and approvals. The Parliament approved a series of improvements to the Law on authorization of construction works in July 2015. However, these improvements, as well as other existing provisions of law cannot be applied in practice. BRITE has developed a regulation providing the relevant framework for the one-stop-shop for construction permits, which will significantly streamline the permitting process if approved by the Government.