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**Business Regulatory, Investment,
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(BRITE)**

BUSINESS REGULATORY, INVESTMENT, AND TRADE ENVIRONMENT PROGRAM

**YEAR 2 QUARTER 3 REPORT
APRIL - JUNE 2014
AID-117-I-12-00001, TASK ORDER 1**

Contract No. AID-117-I-12-00001

Acronyms

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
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
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”)
UNCTAD	United Nations Conference on Trade and Development

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EXECUTIVE SUMMARY

This quarter BRITE made considerable progress on a number of fronts. In trade facilitation, we expanded our support to the Moldova Customs Service (MCS) to include risk management, with the help of our international customs specialist. We also launched our first joint initiative with the Ministry of Economy's (MoE) Trade Policy Directorate, where we are providing international technical assistance to help Moldova complete its notification obligations to the WTO under the Bali Agreement. The Government of Moldova (GoM) and Parliament approved a number of BRITE-drafted initiatives this quarter that will set the stage for further implementation next quarter, and could have a positive impact on the *Doing Business* indicators in Years 3 and 4 of the program. We also developed several new IT initiatives we hope to launch next quarter that will greatly reduce burdens on businesses, increase transparency, and improve the efficiency of public authorities. We also launched our business media program with a local partner, and continued our efforts to promote our reforms and build the capacity of communicators within the State Tax Service (STS) and the MCS.

Program Highlights and Successes

The following are highlights of the major achievements of the project over the last quarter. These, and other activities, are discussed in greater detail later in the report.

- Finalized a package of legal amendments to streamline the process of voluntary liquidation within the STS and presented them to the STS and the Ministry of Finance (MoF) for consideration.
- Parliament approved BRITE-drafted legal amendments to introduce electronic import declaration and documentation into the Customs Code.
- The GoM approved BRITE-assisted amendments to expand the application of inward processing for exporters.
- The GoM approved regulations on implementing European Union (EU) simplified customs clearance procedures and Authorized Economic Operator, including provisions and clarifications recommended by BRITE and its private sector partners.
- Developed framework for a strategic risk management plan that includes action plans to implement Blue Lane and speed clearance of goods.
- Launched support for Moldova to complete a self-assessment of its compliance with its obligations under the WTO Trade Facilitation Agreement (Bali Agreement).
- The GoM approved draft amendments to the Joint Stock Companies Law, developed by BRITE.
- Developed a concept paper on improving the regulatory framework and creation of a one stop shop (OSS) for construction permits; submitted to the Prime Minister's office for review.
- New logo of the STS approved by the National Heraldic Committee; brand book finalized and approved.
- Prepared materials and presentations for outreach events – “E-Customs/E-Export,” “Modernization of the STS-Benefits to Taxpayers,” and “Moldova Exporters Forum.”

SECTION I: PROJECT RESULTS BY COMPONENT

A. Component 1: Tax Administration and Trade Facilitation

A1. Intermediate Result 1.1: Improved Tax Administration Reduces Administrative Burden of Paying Taxes while Increasing Revenue Collection

1.1.1 Finalize development of and launch the Taxpayer Current Account.

As reported last quarter, the Current Account was launched and has been operational for approximately three months. As the table below shows, as of June 30, the number of new users was 19,936 and the number of total unique reports generated was 554,372. There are 62,756 users that could use the service, and almost a third of them have done so in the first three months of the system going live. This indicates a high level of awareness and usage of the Current Account. BRITE will also question companies on their attitudes to the Current Account as part of its semi-annual business survey planned for September.

Users	Users with access	Users that have logged in	Number of reports generated
Corporate	52,911	17,244	163,978
Individuals	8320	1,307	8,018
Inspectors	1,525	1,385	382,376
Total	62,756	19,936	554,372

The table below presents an overview of the monthly usage of the current account. Users were most active during April, which was also a reporting month for tax purposes. Although slightly declining, usage has remained robust over the entire quarter.

	Apr-14		May-14		Jun-14	
	Unique Users	Reports Generated	Unique Users	Reports Generated	Unique Users	Reports Generated
Tax payers	11,314	80,842	5,912	25,037	10,402	60,004
Inspectors	1,258	136,068	1,031	54,652	1,250	174,159
Total	12,572	216,910	6,943	79,689	11,652	234,163

BRITE's efforts are now focused on implementing an electronic mechanism to generate tax certificates (certificate of "no debts"; see below), and to identify further improvements that will enhance the features the Current Account offers to taxpayers.

The STS requested BRITE to support the development of another 13 features to the Current Account that would help improve their revenue accounting. After lengthy discussions and information gathering, our opinion is that only three are either feasible or within BRITE's manageable interest. Based on a review by our IT Specialist, many of these would require significant investments in IT resources and require changes not only to the Current Account but to other systems in the STS and FiscServInform (FSI). In our view, these enhancements should be included in the planned procurement of an entirely new unified STS IT system planned for 2015 with World Bank funding. The three features accepted by BRITE would expand the number of taxpayer reports and the amount of data available in the Current Account and benefit both the STS and taxpayers, and all could be completed before the end of the year. We notified the STS of our decision and will plan to move forward with these enhancements in the coming quarter.

1.1.2 Develop an electronic mechanism for relevant public authorities to receive certificates of tax status for companies from the Current Account.

With respect to introducing e-certificates, BRITE notified the STS that it is ready to support the development of an electronic register of tax certificates generated by public authorities requiring this information. This initiative is based on the premise that public authorities, not taxpayers, should request this information. At present, the STS has not decided whether to favor this approach or instead publish the names of tax debtors for public authorities to check on their own. As part of their analysis, the STS is trying to determine whether the latter approach is feasible and whether it would eliminate the need for the paper certificate. Furthermore, some public authorities, like the State Procurement Agency, are opposed to eliminating the paper certificate or assuming the responsibility of checking a taxpayer's status. This was confirmed in separate meetings with their representatives. Once the STS decides on the method it prefers, the BRITE project can begin to develop an IT solution.

1.1.3 Support the introduction of a Single Taxpayer Account.

BRITE completed a report of its findings regarding implementation of a Single Taxpayer Account. In summary, for a single payment mechanism to be useful for taxpayers and feasible for public authorities it would require a political decision to consolidate the administration of various taxes, e.g. social contributions and local taxes. In the case of these two tax areas it is highly unlikely in the current political environment that such a decision would be taken. Furthermore, the internal systems within the Treasury at present do not allow it to direct payments from a single suspense account to its proper budget classification. This is partly due to the fact that payments are separated from declarations, and only taxes filed online (now only 60 percent of the total) could be used to direct payments in a timely manner. The Treasury, at this stage, refuses to allow funds to remain in a suspense account for more than 24 hours. One solution could be to address the problem in stages, e.g. to focus first on taxes administered by the state budget. In any case, this issue will be addressed by the GoM after the parliamentary election in November.

BRITE is completing the business process mapping of the payment system in order to identify streamlining possibilities and identify any IT needs should the initiative go forward. We have also recommended to the STS that this be included in their request to the World Bank as part of a new unified IT system in 2015.

1.1.4 Identify and implement other tax streamlining measures.

As mentioned in the previous quarterly report, efforts to introduce some joint BRITE-STS supported reforms in the Tax Code have been frustrated by the Ministry of Finance (MoF). At this stage, the STS is focused on introducing amendments to change its legal status, restructure the organization and consolidate its authority over territorial STS offices. These were recommendations of the most recent IMF report. In order to promote these changes, as well as other BRITE-supported initiatives, we joined the IMF, World Bank, and the Swedish International Development Agency (Sida) in supporting a roundtable discussion between businesses, the STS, and the MoF in May. The subject of the roundtable was Modernization of the STS and the Benefits to Taxpayers, and was attended by more than 75 people, mostly businesses, and business associations. Participants at the event also included Minister of Finance Anatol Arapu, Head of the Policy Department in MoF Anastasia Certan, and Chief of the STS Ion Prisacaru. The roundtable was moderated by Armine Khachatryan, the IMF Resident Representative. Aside from the discussion on the STS' reorganization plans, subjects included reforming the system of penalties and sanctions, current and planned IT systems and services,

taxpayer communications, and a presentation by Pricewaterhouse Coopers (PwC) on Moldova's standing in the annual *Doing Business* survey.



- a) *Assist the STS to revise the system of penalties and fines to match the severity of violations; distinguish between negligence and intent; introduce “grace periods” for correcting errors/violations.*

BRITE's proposals on improving the penalties and sanctions regime did not progress significantly this quarter. Though the issue was raised during the roundtable and several of BRITE's proposals were included in the STS presentation and mentioned during open discussions, the STS has not yet established its position on the issue or agreed on a set of concrete proposals. In early June, the National Business Agenda organized a roundtable with businesses on the same topic. BRITE's Tax Advisor presented some of our ideas for consideration by the group. These and other proposals were then presented to the STS and the MoF. Despite the attention drawn to this issue and the fact that it is included in the Government Road Map (20.1) for implementation this year, there seems little interest on the part of STS or MoF to propose any meaningful reforms. As of this report date, the draft Tax and Customs Policy law for 2015 includes proposals only to introduce new penalties and reduce the amount of one existing penalty.

- b) *Support the STS to advance the adoption of draft legal amendments to streamline voluntary liquidation, and develop and disseminate a guide for businesses.*

This quarter, BRITE completed its proposals on streamlining the process of voluntary liquidation as it relates to the role of the fiscal authorities. These were also presented to and discussed among a group of businesses familiar with the process in early June. This led to further refinements and a final package was presented to the STS for their further consideration. BRITE is now promoting these amendments through the private sector, the MoE, and the Secretariat of the Prime Minister's Economic Council.



- c) *Assist the STS in revising the rules concerning taxation of small businesses.*

As reported last quarter, this item has been postponed.

- d) *Other streamlined measures in support of the STS and the Ministry of Finance priorities.*

No other measures were addressed this quarter.

1.1.5 Streamline the business processes within the STS

As mentioned above, BRITE has begun mapping the processes of revenue collection and accounting related to the payment system in order to enrich the analysis behind the single taxpayer account assessment. This work should be completed by July and presented to the STS. The findings will also be incorporated into the final report on the assessment of a single taxpayer account.

1.1.6 Coordinate with Component 3 Strategic Communications efforts.

Results of these activities are addressed in more detail under Component 3 below.

1.1.7 Lead donor coordination efforts.

BRITE continues to coordinate closely with Sida, most notably in the area of communications (see Component 3). We have also worked with Sida and the EU High Level Policy Advisor to organize a donor coordination meeting on tax issues in early July.

A2. Intermediate Result 1.2: Time and Cost of Moving Goods across Borders Reduced

1.2.1 Map import-export and inland processes and recommend streamlining measures.

At the request of the MCS, BRITE's short-term Customs Specialist Nigel Moore returned for a second assignment to advance work on improving key import/export processes and to promote an earlier recommendation to implement a Blue Lane for certain types of shipments. The introduction of a Blue Lane would allow the MCS to release these goods at the border by moving their declarations into a Post Clearance Audit regime, usually a desk audit to review documentation. This move is welcomed by MCS management and they have requested further assistance to begin implementation and also to review their risk management system as a whole, Blue Lane being one aspect of this system. In addition, Mr. Moore provided recommendations for streamlining the processes of Customs Warehousing and Inward Processing by introducing more EU-compliant practices. These recommendations include:

Customs Warehousing

- Eliminate the validity term for warehouse authorization
- Issue a single authorization regardless of the number of warehouses and their locations
- Consolidate the approval into a single office in the MCS
- Eliminate the requirement to seal/reseal the warehouse each time it is opened. Protection of goods should be the responsibility of the warehouse operator not the MCS.

Inward Processing

- Streamline the procedure for authorization
- Expand authorized regimes, e.g. sales contracts
- Extend the term of authorization
- Issue authorizations in electronic form

By the end of this quarter, the MCS had already established working groups to address legislative amendments for Blue Lane, Warehousing, and Inward Processing. In the case of the latter two, the working groups are reviewing specific provisions of EU law and adapting them to the Moldovan context. Mr. Moore has also provided detailed reports and recommendations in all

three areas, and these have been provided to USAID separately. In the case of Blue Lane, amendments to the Customs Code have been introduced through the draft Tax and Customs Policy Law for 2015 now being reviewed in the Government.

BRITE is also pleased to report that through its efforts this quarter, some specific reforms in Inward Processing were already introduced through a decision of the GoM. These issues were first raised by a German investor, Steint Company that had been refused Inward Processing Relief (IPR) for a new import regime. The company began importing goods on its own account based on sales contracts for delivery of finished products, which the MCS refused to authorize and demanded full taxes and duties be paid upon import. Before, these goods (raw materials or semi-processed goods) were simply on loan from the purchaser, which was an acceptable arrangement for MCS. Through our efforts, and those of the company and the Prime Minister's Office on Foreign Investment, new procedures were introduced that expanded the types of import regimes that could qualify for IPR. These reforms present potential benefits to a variety of exporters. BRITE helped draft the final provisions and the RIA, and now plans to work with the MCS to develop internal procedures for IPR and prepare a guide for businesses.

Timing study.

At the request of the MCS, BRITE agreed to repeat the time release study at selected border crossing points (BCPs) beginning in August or early September. The MCS believes they have addressed some of the problems identified in the previous study and would like to confirm whether they have had an impact on clearance times.

1.2.2 Support legal and regulatory reform for Customs.

BRITE was engaged in several legal drafting efforts this quarter related to trade facilitation.

a) The cross-border trade law package

Despite the fact a working group was finally established by the MoF to address the proposed amendments to the draft cross-border trade law, it was eventually disbanded and the MoF again notified the MoE that it would not consider the draft law further. At this stage, BRITE will pursue these initiatives through different means and channels. For example, we began working with the MCS to draft the implementing regulations for simplified procedures and the Authorized Economic Operator (AEO), as well as the accompanying RIA. These also included proposed amendments from Nigel Moore, AmCham, and others. They were eventually approved by the GoM in late June and should be published in early July, which will allow us to begin implementation in the coming quarter. These regulations are consistent with what we included in the draft cross-border trade law and are aligned to EU and international practice.

b) The New Computerized Transit System (NCTS)

BRITE finalized its work on drafting legal amendments to implement the NCTS in Moldova. The MCS is now waiting for EU assistance to fund and implement the required IT systems.

c) Review of Customs Internal Orders

Based on recommendations from Nigel Moore's first mission, the MCS agreed this quarter to undertake a comprehensive review of its existing internal orders. The purpose of this review is to identify those acts which:

- Have no direct impact on businesses and can remain as internal acts of the MCS;

- Have an impact on businesses, are considered justifiable, and therefore should be redrafted as government decisions and approved by the Government;
- Are not justified or no longer needed and can be cancelled.

The MCS provided BRITE with 38 unpublished orders and 15 published orders, which we are now reviewing. The results should be complete in late July and presented to the MCS for action. BRITE can then assist the MCS to draft any required government decisions and RIAs, as needed.

As mentioned in earlier reports, this represents a significant policy shift for the MCS, which earlier, as highlighted in the BizCLIR assessment, repeatedly issued internal orders imposing demands and restrictions on businesses in direct violation of law and established rule-making procedures. Over the last 6-9 months this practice has largely ceased, and this latest initiative should help clean the inventory of previous orders and create more transparency.

1.2.3 Support implementation of adopted reforms.

- a) Approved exporters may now import their raw materials duty and tax free if their finished products are exported within 180 days*

This program was approved by the GoM last quarter, but its implementation has been slow, in part due to the MoE and its slow review of applications, and not fully transparent decision-making processes. Some companies have been refused participation but not informed as to why or given the opportunity to revise their application or provide additional information. Also, the MCS has yet to implement a procedure to allow companies to pledge their assets as guarantees against the deferred import taxes and duties. This has also prevented BRITE from assisting both parties in promoting the program to its target audience. We will try to address this in the coming quarter with help from the European Business Association, which was recently awarded a grant to educate exporters to take advantage of the DCFTA.

1.2.4 Rationalize the list of permissive documents required for export.

This quarter the GoM and Parliament approved the long-awaited Tariff law that now introduces the 2012 nomenclature of goods, and places Moldova in compliance with the latest Harmonized System (HS) and international practice. This is important because BRITE's proposals to streamline the number and issuance of permits for export are based on the 2012 nomenclature.

BRITE also finalized the legal amendments to eliminate and streamline some export permits, and completed a full database of export permits that could be used as the basis for a future law, as well as an online tool for government and business. The basis for the recommendations are supported by a comprehensive review of both the normative requirements for exports, and the actual number and types of permissive documents issued over the last three years. These amendments will be discussed with ANSA in July in order to secure their agreement prior to submission to the GoM.

1.2.5 Implement electronic clearance procedures (Single Electronic Window).

BRITE and the MCS working group on implementation of e-Customs and Single Window continued its work this quarter. These initiatives are also now obligations of Moldova under the WTO Trade Facilitation Agreement (see below).

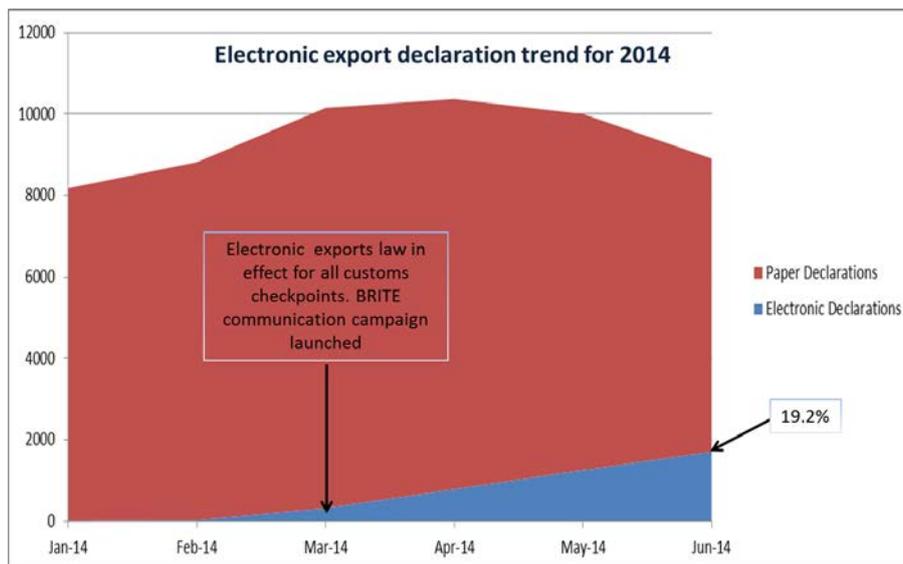
- a) Electronic Export*

BRITE continued its efforts this quarter to promote electronic export and increase its use among exporters and customs brokers. In April, the MCS and BRITE, along with USAID management, held an official launch event for e-Export that included members of the Customs Consultative Council and selected exporters currently using the system. The event helped publicize e-Export to a larger audience and use the testimonial of exporters who use and benefit from the system to overcome reluctance or skepticism. This was followed by presentations by MCS at the Moldova Exporters Forum (see below) in May and a workshop on e-Export for approximately 50 customs brokers in June (see photo).



One issue did arise this quarter that has prevented the full benefit of e-Export from being realized. This hitch is the result of a requirement in ASYCUDA to enter a bar code scan from the declaration in order to authorize it. This can only be done from a paper declaration, which necessitates the document being generated for clearance. The MCS is now working to eliminate this requirement, and hopes to have it corrected by the end of next quarter. Despite that, the number of export declarations lodged electronically continues to grow steadily (see below), and already exceeds our initial estimates.

Table A3. Electronic Export Declaration Trend for 2014



The graph above summarizes the trends of electronic export declaration usage up to June 30. E-Export declarations have increased significantly over the last quarter both in general and relative terms, with close to 20 percent of export declarations being currently submitted electronically.

b) Electronic Import

The legal amendments prepared by BRITE and the MCS allowing for electronic submission of import documentation were approved by parliament in late June, and BRITE has already started working with the MCS on the implementing regulations. These will be completed in July and presented for consideration to the GoM. Some IT improvements will also be necessary to fully implement e-import, and BRITE is waiting for the MCS to indicate whether they need assistance or can implement them within their own budget. These provisions, along with the

implementation of new simplified customs procedures, will allow the MCS to take a significant step toward implementing a truly paperless environment for customs clearance.

c) Data Exchange between Customs, STS, ANSA and other public authorities

Given that the MCS is not the only agency regulating trade, and other authorities such as ANSA and the STS still require paper documents, it is necessary to develop electronic links among them to allow for online data exchange and verification. Such initiatives are supported by all of these agencies as well as the e-Government Center (e-Gov), which has developed an interoperability framework for data exchange among government bodies. This is now in the pilot and testing phase and should be fully functional by the end of 2014.

This quarter, BRITE held multiple meetings with technical staff from the MCS, ANSA, the STS, and e-Gov to develop the technical specifications for a data interface that will give the MCS critical data from the STS, ANSA, and the population registry that, once operational, will reduce the need for businesses to visit these agencies and provide or collect documents. This will also give MCS and STS data that are vital for risk management purposes that should ultimately reduce the amount of physical inspections and audits both presently conduct. At this stage, BRITE has agreed to develop the following:

1. Registry of phyto-sanitary certificates issued by ANSA that is electronically linked to MCS for verification on export/import.
2. Web-based exchange between the MCS and the STS/Population Registry to collect and transmit selected data to and from each source.

BRITE hopes to complete memoranda of understanding with these agencies in the coming month and issue technical procurement documents by mid-quarter.

1.2.6 Support the National Customs Consultative Committee (NCCC) and engage stakeholders.

A meeting of the Committee was held on June 20 and included 18 participants. The private sector offered the following agenda items:

- Expand the number of customs posts that can process declarations and clear goods and shipments, which would allow brokers and others to clear their clients' shipments in any location and deliver them directly to the client fully cleared.
- Exempt samples and low-value goods from customs duties and taxes (de minimis levels), and eliminate the need to lodge declarations for such goods. This is in-line with EU and international practice and is considered business-friendly.
- Establish a procedure for pledging assets to guarantee 180-day tax and duty deferrals.
- Allow e-Exports for shipments originating in Transnistria. Currently Transnistrian exporters cannot use this feature as their goods are under a transit regime until they leave Moldova.

The first two proposals of the private sector were accepted and the MCS has agreed to introduce all required changes. The MCS advised that they are now developing solutions to address the other two issues, and should have these presented at the next Committee meeting. From its side, the MCS used the opportunity to announce the draft government regulation on simplified clearance procedures and AEO.

1.2.7 Other support to public and private sector organizations.

BRITE provided support to MIEPO for the second Moldova Exporters Forum that took place on June 5 in Chisinau. As with last year's event, the purpose was to bring together exporters and service providers, as well as government agencies, to discuss ways of promoting and stimulating exports from Moldova. BRITE's COP gave opening remarks along with Minister of Economy Valeriu Lazar and the Director of MIEPO Dona Scola. The MCS also made a presentation that highlighted their efforts to improve the export process, including e-Export.



As mentioned last quarter, the new WTO Agreement on Trade Facilitation (TFA) adopted during the WTO Ministerial in Bali in December 2013 is now binding on all members and will require developing countries to assess their level of compliance to the Agreement, commit to a schedule to achieve full compliance, and if necessary, request assistance from the WTO in order to meet their commitments. Since Moldova requested assistance from the WTO to complete its self-assessment, BRITE responded this quarter by fielding an international customs and trade advisor, Mr. Brian O'Shea, to conduct a two-week gap analysis and needs assessment (see photo). This assignment consisted of an initial kick-off meeting with all relevant stakeholders to present the essential aspects of the Agreement, a series of meetings with them to gather and analyze the degree of compliance and their perceived needs to achieve compliance; and finally a two-day workshop to validate the findings and finalize a draft submission. The Agreement covers 36 technical areas that must be assessed and reported on, and the final report will be quite extensive. At first glance, it appears that Moldova is largely compliant in 50 percent of the areas covered. The final report will be completed in late July.



B. Component 2: Other High-Impact Reform Activities

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

2.1.1 Protecting Investors.

BRITE is pleased to report that in June the GoM finally approved the draft amendments to the Joint Stock Companies Law. BRITE had developed the draft amendments at the request of the Ministry of Economy. The amendments aim at streamlining the regulatory framework on protecting investors and should help increase the ranking of Moldova in the annual *Doing Business* assessment, though this will likely be reflected in the ranking published in October 2015.

These amendments address provisions on concluding transactions with related parties, public disclosure of information about large transactions and transactions with related parties, access to the internal documentation, liability of managers and major shareholders, and the role of external auditors. The Parliamentary Committees have initiated negotiations with the National Commission of Financial Markets, the Ministry of Economy and other stakeholders in order to

define and approve the amendments. It is expected that the Parliament will enact the amendments in early July 2014.

2.1.2 Trading Across Borders and Paying Taxes.

Please see Component 1 above for greater detail on these two areas. The introduction of e-Export should, once fully implemented, lower the time and cost to export and should be reflected in the *Doing Business* ranking. The introduction of simplified procedures, an AEO program, and electronic import should also help improve Moldova's ranking in the coming year.

2.1.3 Starting a Business.

BRITE has no plans to address this indicator this year. However, the GoM approved several measures this quarter that should improve this process as well as Moldova's future ranking. These include eliminating both the requirement to open a bank account prior to registration and the requirement to obtain an official stamp.

2.1.4 Other priority areas.

This quarter, BRITE initiated an assessment of the issuance of construction permits and drafted a detailed flow chart of the process of authorization. The assessment shows that the process of authorization is unnecessarily burdensome and expensive. For example, an applicant must interact with as many as 19 institutions and service providers in order to obtain the necessary construction permits. Some governmental institutions participate twice or even three times during the process and issue up to three different permits related to construction works. An institution may issue both preliminary and post factum permits, and also carry out investigations before and after the process. Based on these findings, BRITE developed a concept paper that recognizes the legitimate need for these institutions to be involved in the approval process, but recommends significantly reducing the frequency of their involvement and the burdens they impose.

These recommendations have been shared with both the MoE and the Prime Minister's Economic Advisor, both of whom support the concept and will promote it at the next Economic Council meeting in July. If BRITE secures the support of the Prime Minister, we can begin to engage with the Ministry of Construction and the city of Chisinau to implement a one-stop-shop for construction permits. It should be noted that the required changes in legislation are at the government level of and not the parliamentary level, which should simplify and speed their passage.

B2. Intermediate Result 2.2: Reduce administrative burden and compliance costs for businesses by streamlining regulatory processes and government services, in cooperation with main stakeholders, including the MoE and E-Government Center.

2.2.1. Support the Licensing Chamber in issuing more licenses on-line.

The Licensing Chamber has implemented an electronic system that allows on-line issuance of licenses. The system is mostly a communications tool, which allows one to submit an application in electronic form. However, the system does not interact with other government agencies, and the applicant must still visit these to collect various preliminary approvals before submitting an application for a license. Under the draft amendments developed by BRITE, the Licensing Chamber will be required to interact directly with the relevant government agencies to

obtain the preliminary approvals on behalf of an applicant. BRITE is also recommending eliminating the term of validity of some licenses.

2.2.2 In cooperation with the MoE, reduce the number of permits for business activity.

BRITE completed its full review of the permits for business activity and developed a set of amendments to the relevant laws, which propose eliminating 43 permits from the existing 278. The proposed amendments also eliminate other restrictions and conditions when dealing with permits, such as the issuance of a permit based only on the declaration of the applicant; canceling the term of validity for permits where possible; merging different permissive acts that serve the same purpose; and limiting situations when entrepreneurs are required to obtain a permit. These amendments have been submitted to the MoE for review and presentation to the GoM.

2.2.3. Streamlining the issuance of authorizations for businesses.

Based on the preliminary reactions last quarter from some public authorities to our proposals to streamline trade authorizations, we carried out an extensive consultation with public and private stakeholders to solicit their feedback and finalize a proposal for the GoM's consideration. BRITE experts held 27 individuals meetings with representatives of private entities and government agencies, and also hosted a roundtable with 12 representatives of professional associations impacted by the policy on trade authorizations. These consultations resulted in more than 40 official proposals on the draft amendments from all stakeholder groups. Based on this feedback, BRITE finalized a package of amendments that, if implemented, will significantly reduce the time and cost of starting and operating a business by placing the responsibility for regulatory compliance on the business, and allowing state control/inspection to take place after the business is operational. These legal amendments were provided to the MoE for their promotion in the GoM.

2.2.4 Consolidate and streamline business reporting requirements.

This quarter BRITE began an initial assessment of business reporting requirements and identified several ideas that could consolidate and streamline these to reduce their burden and positively impact the *Doing Business* indicators, particularly paying taxes. Some of these ideas include:

- Establishing a single reporting portal for on-line reporting.
- Introducing significant incentives for economic agents to report on-line, including free-of-charge use of mobile signature and other features of on-line reporting, and a single electronic signature for all reports.
- Reviewing the statistical reports for matching the information presented to the STS, and determining the indicators which the National Bureau of Statistics (NBS) could take from the STS and use for its purposes. Thus, the NBS reports could be made more concise and not overlap with STS and CNAS reports.
- Reviewing the Tax Code and other pieces of legislation to analyze the opportunities to reduce the number of required indicators.
- Working with the NBS and the STS to identify unnecessary indicators which could be removed from their reports.
- Removing some of the annexes from the body of the STS reports and retained by the economic agent as part of its fiscal evidence. This information could then be checked by the STS during tax audits.

- Consolidating the reports using the same principle as the consolidation of the local taxes report, after the number of indicators was reduced. Thus, only a limited number of reports will remain.

These ideas will be studied in greater detail in the coming quarters, and perhaps with the assistance of short-term technical expertise. We would target early 2015 to prepare and present a proposal to the new government for consideration.

2.2.5 Support CNAS to develop medical e-certificates to reduce reporting burdens on businesses and reduce fraud.

BRITE completed its feasibility study of medical e-certificates this quarter and determined that the complexity of implementing it on a national scale would be beyond BRITE's manageable interest despite identified benefits to economic agents, CNAS, and employees in introducing such a system. There are too many stakeholders (CNAS, CNAM, MoH, hospitals, clinics, businesses, and so forth) and the institutions involved have a number of ongoing reform efforts that would have to be coordinated at a high level. However, as yet, there exists no high-level political decision to implement such a program. Absent this, much of the effort then would fall on BRITE and would rely on resources the program couldn't offer.

As part of its assessment, BRITE prepared an implementation concept for consideration by interested parties. BRITE will share its results with CNAS and others with an interest, but will not proceed to promote the concept at this stage.

Other. This quarter, the State Chancellery requested the help of BRITE to strengthen their control over the legal acts issued by local public authorities by establishing a State Registry of Local Acts. This is related to a similar initiative of the USAID BIZTAR project which developed a web portal that allows local authorities to make public their legal acts and other decisions that may affect local businesses/citizens. Using the web portal, however, is not mandatory, and since its introduction very few municipalities have used it, and those who do, do not make all their acts public. For this reason, BRITE and the State Chancellery agreed to create a State Registry of Local Acts as an official source of all decisions approved by the local public authorities. All municipalities will be required to register their acts in electronic form and this registry will then be on-line through the existing portal. This will increase transparency and give a clear picture of the extent of local regulations in all municipalities. This will also help to highlight areas for future improvement/streamlining.

By the end of the quarter, BRITE had drafted legal amendments that will establish the State Registry and oblige local authorities to place their acts in the Registry. These also contain specifics on the types of decisions to include, timing, the technical structure of the registry and proposed sanctions for failure to comply with the requirements. Later, BRITE will provide IT support to develop the Registry and link it to the existing web portal.

B3. Intermediate Result 2.3: Institutionalize good regulatory practice through capacity building and improved public-private dialogue

2.3.1 Strengthen the capacity of the National Working Group to serve as the main public-private dialogue (PPD) forum on business environment improvement.

Activities in this area are covered in those related to RIA work described below.

2.3.2 Build capacity of public institutions to develop higher quality RIAs.

Under its contract with BRITE signed last quarter, BRC delivered a package of proposals to improve the RIA methodology, the RIA training program in the Academy of Public Administration (APA), and a concept for a RIA portal to manage the movement of drafts, RIAs, and other decisions throughout the review and approval process. With the exception of a few minor improvements, it is our view that BRC has not provided a satisfactory response to the requirements of the contract or to those of the MoE, on whose behalf BRITE is working on these issues. It also appears that the MoE anticipates the World Bank will become involved in working on RIA methodology and the law-drafting process when its competitiveness enhancement program starts in late 2014 or early 2015. Furthermore, BRITE learned this quarter that the Ministry of Justice has decided to create a new portal/database management system for all draft legal acts of the GoM, which would make a RIA-specific portal mostly unnecessary. All of these developments have caused us to reevaluate the need to continue some of this work. We will meet again with the MoE in July to clearly align their needs and plans with our assistance between now and the end of next quarter. The situation is further complicated by the recent resignation of the Minister of Economy, Valeriu Lazar, and the uncertainty about the future of BRITE's counterparts in the ministry.

Summary of Activities of the RIA Secretariat

Number of Legal Reviews and Analyses Conducted by RIA Consultants

	Oleg Chelaru	Nicolae Botan	Lilia Dabija	Total
Normative acts examined	4	4	6	14
Normative acts with positive opinion	4	1	2	6
Normative acts accepted by NWG	4	2	6	12
RIAs examined	5	6	6	17
RIAs with positive opinion	3	0	2	5
RIAs accepted by NWG	5	4	5	14

Level of Effort (in days) Dedicated to NWG/BRITE/MoE

RIA Consultant	ME	RIA	BRITE	Total
Oleg Chelaru (days LOE)	26	27	0	53
Nicolae Botan (days LOE)	34.4	21.25	4	59.65
Lilia Dabija (days LOE)	34.2	15.3	0	49.5
Sum (days LOE)	94.6	63.55	4	162.2
Total LOE Q3Y2 (%)	58.3%	39.2%	2.5%	100%
Total LOE Q2Y2 (%)	45.5%	51%	3.6%	100%
Total LOE Q1Y2 (%)	55%	41%	4%	100%

During the quarter, the RIA Secretariat consultants reviewed a total of 14 draft normative acts, which were presented to the NWG. The consultants provided positive opinion on 42 percent these (6). NWG members approved 12 draft acts. The RIA consultants also examined the accompanying RIAs (17) and provided opinions. The number of positive opinions was 5, or close to 30 percent, and the number of RIAs accepted by the NWG was 14, or 82 percent. The number of RIAs accepted from the first reading was 5, or 29 percent, the same as in the last two quarters.

The three consultants also examined 85 RIAs and other draft normative acts as part of their work as RIA consultants. A total of 23 different institutions presented normative acts and RIAs; most

of these came from the Ministry of Economy, Ministry of Environment, Ministry of Finance, and Ministry of Justice.

Public Institutions Submitting Draft Legal Acts

Public Institution	Oleg Chelaru	Nicolae Botan	Lilia Dabija	Total
Ministry of Economy	10	14	4	28
Ministry of Environment	2	6		8
Ministry of Finance	2		6	8
Ministry of Justice	5	1	1	7
Ministry of ICT		4		4
Ministry of Health	2		2	4
National Tourism Agency	1	1	1	3
State Chancellery	1	1	1	3
Customs Service			3	3
Ministry of Regional Development	1	1		2
National Financial Markets Commission			2	2
ODIMM	1		1	2
National Auto Transport Agency		1		1
National Social Insurance Chamber		1		1
Ministry of Agriculture		1		1
Ministry of Labor		1		1
Ministry of Health		1		1
National Bank			1	1
Licensing Chamber	1			1
Competition Counsel	1			1
Government			1	1
Ministry of Infrastructure	1			1
Parliament	1			1
Totals	29	33	23	85

C. Component 3: Strategic Communications

C1. Intermediate Result 3.1: Increased Awareness and Understanding of Business Climate Reform, Progress Achieved to Date, and New Reform Initiatives

3.1.1 Support Implementation of communications strategy and action plan at the State Tax Service.

BRITE is continuing its support to the communications efforts of the STS by attending periodic meetings of the Communications Committee and providing guidance on major communications issues. To enhance the professional level of the communications staff from the STS, BRITE's team, together with Sida consultants, developed and released an RFP on media relations and customer service orientation training. The trainings are scheduled to begin in September (see below).

- a) *Develop automated communications between the State Tax Service and taxpayers.*

Over the last quarter, BRITE has elaborated an online questionnaire for the evaluation of the STS's online resources. The questionnaire has been sent via direct mail to over 52,000 taxpayers, and in the first three days recorded more 400 responses. The questionnaire will remain active until the end of August, and if current response trends remain robust, will cover a representative sample of users. Additionally, BRITE has assisted with the elaboration of an internal questionnaire for the evaluation of STS's internal web platform.

b) Develop brand book for the State Tax Service.

This quarter, the Heraldic Committee approved the new logo of the STS and BRITE, together with its subcontractor, finalized the new STS Brand Book.



This was presented to STS in May and was officially approved by the STS later that month. Its roll-out and full implementation will take some time and will not be reflected in external communications until a special date will be set to launch the new logo on the website, social media, on the materials and on the territorial offices layouts (see images above).

c) Communications Plan for the Current Account.

Following the launch of the Taxpayer Current Account in late March, the STS organized six presentations for business associations in April. Roughly 150 accountants and finance managers from AmCham, ACAP, EBA, Ecofin, AFAM, and EcoFin Consult participated in this practical presentation of the system, led by Natalia Plamadela, Chief of the STS Methodological Department.

A [Press Club](#) on the use of Current Account and e-fiscal invoice was organized by STS and supported by BRITE. The press club gathered eight journalists from radio and written and online media. The event generated some reportages on Radio Moldova, articles in Logos Press and Monitorul Fisc.md.

Internally, the STS organized 36 visits to all territorial offices to instruct, consult and better orient tax inspectors in using the new system. In Ungheni in mid-April, a [video seminar](#) was organized for taxpayers and in other regions the Current Account topic was included on the list of subjects to be discussed with taxpayers during monthly training sessions.

Materials on the Current Account were also disseminated at various specialized events such as Accountants Day that took place on April 4 in Balti, and also at the events organized by the Monitorul Fiscal magazine.

d) Targeted Communications Training for STS Staff

In accordance with the STS communications strategy and to implement STS's new service-oriented approach to the taxpayer, BRITE developed the terms of reference for a comprehensive training program in customer service and orientation for tax inspectors and communicators, and media training for upper management. The training also includes a module on understanding and applying an institutional brand. STS would like to train upwards of 130 STS employees in customer-orientation and service and have the communications staff capable of replicating the training for other employees over time. These terms were included in a public procurement that was released in June and will be finalized by the end of July. The training should begin in mid-September.

3.1.2 Support implementation of communications strategy and action plan at the Moldova Customs Service.

BRITE's efforts this quarter were focused mainly on continuing the promotion and outreach of e-Customs, and in particular, e-Export, and included a combination of media and direct outreach efforts.

The first of these included an e-Customs roundtable where MCS presented the service and all of its features, requirements, and advantages (see photos below). This was followed by the remarks of two exporters who were already using e-Export and who shared their experience about the services and answered questions from the participants. The event was attended by Mr. Kent Larson, the USAID Country Director in the Republic of Moldova and Mr. Tudor Balitchi, Director General of the Customs Service.



Large exporters, business associations as well as members of the Customs Consultative Committee also attended that meeting as did mass media. Though only seven journalists attended, the event received extensive coverage on the internet. [Privesc.eu](#), Infotag, Infomarket, [Moldpress](#) and [Info Prim-NEO](#), [Unimedia](#), [Agora](#), [bani.md](#), [curentul.md](#), Specialized web portals [contabilsef.md](#) and [monitorul.fisc.md](#) announced the extension of the electronic clearance to all customs posts. [The EpochTimes România](#) also posted the story. The e-Gov

placed the news into their newsletter and placed it on the [website](#). e-Export was also mentioned in the newsletter of [the Prime Minister's Economic Council](#) in June.

In order to expand coverage and to assure the information flow to the right target audience, BRITE also prepared several web banners to be posted on media web sources as well as on the web pages of certain business associations. As of the end of the quarter, we were able to place the banners with 20 media outlets and 7 business associations which have high exposure to exporters.

BRITE and the MCS also agreed to hold a series of promotional and educational events around E-Customs in several regions beginning in July. We are currently targeting seven regional events that will also include the Chamber of Commerce and Industry.

3.1.3 Support implementation of communications strategy and action plan of the Regulatory Reform Strategy (RRS).

As reported last quarter, BRITE will only provide communications support to the RRS in those areas supported directly by the project. This quarter there were no decisions taken requiring a communications response.

3.1.4 Increase accountability for government by civil society and media

To increase the amount of high-quality, in-depth coverage on issues related to the project's focus areas and to increase accountability within the government for the implementation of the reform agenda, BRITE has chosen to work with a partnership consisting of BDR Associates/Strategic Communication and AmCham. This team presented the sole offer to our RFP, but also a very interesting approach to engaging with media.

Under the terms of this agreement, BDR/AmCham will select journalists from six media outlets including print, internet, and TV/radio that reach BRITE's target audience and enlist them in a Business Media Development Program. This program will provide them information, analysis and access to experts in key business environment reform areas through a series of workshops organized by AmCham. The journalists would then be expected to develop analytical and interesting stories and other media products over the next six months. They will then be evaluated on the quality of their work, its impact, etc. and awarded prizes at the end of the program. The media companies they represent will also receive prizes/recognition for excellence in journalism awarded by BDR/AmCham.

The program is clearly experimental and will depend on the ability of AmCham and its members and contacts to identify compelling issues to cover and to effectively engage journalists. BDR has a broad range of experience in dealing with media, which will help ensure quality and balanced products are published. The program starts in July and will conclude in December.

C2. Project Communications Activities

Website and Facebook. BRITE's website was updated with the story about the e-Customs roundtable with exporters. A web banner linking e-customs customs.gov.md/e-customs was developed and placed on the brite.md website, as well as stories on Customs Specialist Nigel Moore's assignment and training, and the Exporters Forum and Tax Roundtable.

The project's Facebook page hit 472 likes in June, actively posting statuses about the Current Account, e-Customs press conference, roundtables, poster and cover picture on the Current

Account, video animation on the e-customs, and short previews of the e-customs infographic with links to the webpage.

D. Other Program Activities

None this quarter.

SECTION II: OPERATIONS AND ADMINISTRATION

This quarter BRITE's Tax Advisor, Lilia Tapu, resigned from the project effective July 7. At this stage, we have decided not to recruit a full-time replacement. Given the stage of our work with the State Tax Service and other tax-related initiatives, we are confident we can meet our needs and deliver results with short-term technical assistance through this project year. We will evaluate our staffing needs in the tax area as part of the work planning process in September.

Mihai Bologan will assume full responsibility for the Monitoring and Evaluation (M&E) activities of the project effective August 1. Daniel Belosticinic will conclude his contract as part-time M&E Advisor in early August.

SECTION III: PREVIEW OF UPCOMING QUARTER

BRITE is planning the following activities/events in the coming quarter, among others:

Component 1: Tax Administration

- Implement the next stage of enhancements and functionalities for the Current Account software
- Finalize mapping of the business processes related to revenue collection and management
- Finalize draft amendments to laws/regulations that will streamline the liquidation process and procedures for the legal entities
- Define the concept and implement the relevant IT solutions for the e-certificates for tax status (no-debts)

Component 1: Trade Facilitation

- Finalize and implement secondary legislation for e-Import;
- Start communication campaign of the e-Import
- Begin implementation of Blue Lane processing by the MCS
- Develop new Risk Management (RM) Strategy and RM plan with MCS and begin implementation.
- Regional events with Customs and Chamber of Commerce to promote e-Customs, simplified procedures and other facilitation measures
- Consultative Committee scheduled for September
- Final report and proposed notification on self-assessment of WTO Trade Facilitation Agreement
- Assist the MCS to start implementation of new simplified procedures and starting AEO program

- Together with MCS start streamlining of Inward processing and Customs warehousing regimes (primary legislation).
- Finalize the revision of internal orders of MCS and start their RIA and official publication.

Component 2: Other High-Impact Reform Activities

- RIA Methodology and RIA training course materials at the APA updated, RIA Manual elaborated
- Amendments to the current regulation promoted to implement the new RIA Methodology
- Promoting amendments to the Law on Internal Trade regarding the trade authorization processes in the Government and Parliament
- Public consultation of amendments regarding permits and licenses, which aim to reduce the number of permits and streamline permitting procedures
- Defining the amendments and regulations with regard to creation of the Registry of Local Acts
- Developing the instructions and rules on construction permitting
- IT concepts for one-stop-shop for trade authorizations, one-stop-shop for construction permits and Registry of Local Acts

Component 3: Strategic Communications

- 7 regional events on e-Customs + media campaign
- Selection of training company for customer-orientation and media relations training
- First series of workshops and media material under the Business Media Partnership Program with BDR/AmCham
- Results of website survey at STS

Monitoring and Evaluation

- Selection of survey company for the semi-annual survey of businesses
- Analyze and interpret results of STS website survey

Annex A: Progress toward the Performance Monitoring and Evaluation Plan

Nr.	Indicator	Unit	Disaggregation	Data Source	Frequency	Baseline	Results				Targets				Comments
							Y1	Q1Y2	Q2Y2	Q3Y3	Y2 target	Y3 target	Y4 target	Life of project	
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	%	Doing Business Area	World Bank Doing Business Report	Annually		4.4	-	-	-	7	7	7	20	Updated annually
2	Monetized benefit of BRITE-sponsored reforms to the private sector	mln. USD	Component	Project records, based on Standard Cost Model methodology	Quarterly	0	0.45	0	1.08	10.9	19.5	40	40	100	The monetized impact of the e-Export procedure to the private sector could be estimated for Q2Y2. Data for monetizing other reforms incomplete as of right now, further requests pending.
3	Monetized benefit of BRITE-sponsored reforms to the public sector	mln. USD	Component	Project records, based on Standard Cost Model methodology	Quarterly	0	0.09	0	0	0.7	20	40	40	100	Incomplete data for monetizing public sector benefits, further requests pending.
4	Number of activities and initiatives, supported by BRITE, and involving the participation of businesses in PPD	area	Component	Project records	Quarterly	0	10	1	1	7	15	15	15	55	BRITE has organized and assisted with several roundtables and forums, which focused mainly on E-Exports and E-Services provided by STS. Additionally, one Customs Consultative Council meeting was organized
5	Percent of private sector representatives that consider having benefited from reforms implemented with BRITE assistance	%	Gender, region	Survey of private sector	Semi-annually	0	47.4	-	-	-	5	15	25	25	About half of surveyed businesses considered they benefited from at least one reform implemented with BRITE support.

Nr.	Indicator	Unit	Disaggregation	Data Source	Frequency	Baseline	Results				Targets				Comments
							Y1	Q1Y2	Q2Y2	Q3Y3	Y2 target	Y3 target	Y4 target	Life of project	
6	Number of regulations and administrative procedures eliminated, streamlined or simplified with BRITE support	#	Component, PPD	Project records	Quarterly	0	12	0	5	2	6	6	7	31	Two procedures related to Customs Services were streamlined: one related to electronic imports, the other to inward processing.
7	Person hours of training provided by USG	#	Component	Project records	Quarterly	0	1776	335	312	0	750	750	750	3000	No trainings were organized during the period.
8	Proportion of female participants in BRITE-assisted activities, initiatives and events	%	None	Project records	Quarterly	37.4	55.6	35.5	53.39	51.2	>45	>45	>45	>45	During Q2Y2 women and men were represented fairly equally in BRITE assisted activities.
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	#	None	World Bank Doing Business Report	Annually	220	181	-	-	-	181	176	165	165	Updated annually
10	Number of tax payments businesses must pay each year	#	None	World Bank Doing Business Report	Annually	48	31	-	-	-	31	31	25	25	Updated annually
11	Private Sector perception index score for paying taxes	1 (very difficult) - 5 (very easy)	Gender, Region	Survey of private sector	Semi-annually	n/a	3.97	3.69	-	-	4.1	4.2	4.3	4.3	During 2nd semiannual survey, companies were more conservative regarding time and cost of paying taxes.
IR 1.2 – Time and cost of moving goods across borders reduced															
12a	Time to export	Days	None	World Bank Doing Business Report	Annually	32	32	-	-	-	25	23	18	18	Updated annually
12b	Time to import	Days	None	World Bank Doing Business Report	Annually	35	35	-	-	-	27	25	20	20	Updated annually

Nr.	Indicator	Unit	Disaggregation	Data Source	Frequency	Baseline	Results				Targets				Comments
							Y1	Q1Y2	Q2Y2	Q3Y3	Y2 target	Y3 target	Y4 target	Life of project	
13a	Number of documents required to export goods across borders	#	None	World Bank Doing Business Report	Annually	7	7		-	-	6	6	5	5	Updated annually
13b	Number of documents required to import goods across borders	#	None	World Bank Doing Business Report	Annually	7	8		-	-	6	6	5	5	Updated annually
14	Moldovan Exports and Trade diversification index	1 (very low) - 5 (very high level)	None	Official Statistics	Quarterly	3.14	3.07	-	3.1	2.91	3.15	3.25	3.4	3.4	Q2Y2 Index updated with latest customs data, available as of 12/31/2013 for Value and Physical indices, and as of 3/31/2014 for Export and Import figures
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	%	None	RIA Consultants' activity reports	Quarterly	22 (Year 1)	22	29	29	29	40	50	60	60	During Q3Y2, 5 out of 17 RIAs were accepted from the first reading at the National Working Group meetings
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	%	Gender, Region	Survey of private sector	Semi-annually	0	0.4	0.9	-	-	10	25	40	40	Most of respondents named reforms implemented by STS. Only 11.6% could name a reform in general, and 0.9% from total mentioned a reform implemented with BRITE support.
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	#	Type of media	Project and partners' records	Quarterly	0	43	12	24	31	50	50	57	200	The number of articles and stories written about BRITE activities correspond to a targeted quarterly average. Mostly covered Current Account and E-Customs launch

Nr.	Indicator	Unit	Disaggregation	Data Source	Frequency	Baseline	Results				Targets				Comments
							Y1	Q1Y2	Q2Y2	Q3Y3	Y2 target	Y3 target	Y4 target	Life of project	
18	Percent of private sector representatives that respond positively regarding the speed and transparency in the activity of public institutions receiving BRITE assistance.	%	Public institution	Survey of private sector	Semi-annually	0	30.2	-	-	-	40	50	60	60	The value for Y1 is 30.2%, i.e. 35.5% of private sector consider the speed of response as good or very good and 24.5% of them consider the public institutions as highly transparent

