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

BUSINESS REGULATORY, INVESTMENT, AND TRADE ENVIRONMENT PROGRAM

**YEAR 3 QUARTER 1 REPORT
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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
PCA	Post Clearance Audit
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

The first quarter of Year 3 saw considerable advances in BRITE's activities, despite a slowdown in the run up to the 2014 parliamentary elections in November. The elections resulted in a narrow victory for the three pro-European parties – the Liberal Democratic Party, the Democratic Party, and the Liberal Party, who collectively secured approximately 45.5% of the vote, compared to the more pro-Russia Socialist Party that won the largest single block with approximately 21%. By the time of this report, the parties had yet to establish a coalition government and assign ministerial posts. In preparation for working with the new Parliament and Government, BRITE assisted USAID and the World Bank to finalize a series of policy briefs outlining key reforms for the Government to undertake in the short, medium, and longer terms that will meaningfully improve competitiveness, economic growth and employment. The donor community will take the lead in promoting this agenda, which touches on all subject areas of BRITE concern – tax, trade and regulatory reform.

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.

- Launched the development of the 5th and 6th final technical tasks for the enhancement of the Taxpayer Current Account. This phase will add four new functionalities to assist both tax inspectors and taxpayers.
- Finalized the assessment report for the implementation of a single tax payment account.
- Conducted a study tour to Finland for five staff of the Moldova Customs Service (MCS) to learn firsthand good practices in strategic risk management.
- Launched an in-depth study of import permits to establish their legal basis and assign them to HS codes in preparation for streamlining them.
- Finalized an internal procedures manual for MCS on Inward Processing Relief. The manual incorporates recent reforms supported by BRITE and will ensure uniform application of this important custom regime.
- Finalized the analysis and report of the BCP timing Study from September-October 2014.
- Drafted and supported a bill of amendments on trade authorizations that were approved by the Government.
- Completed public consultations and revisions proposed by relevant authorities to changes in the Registry of Local Public Acts; awaiting approval of the new Government.
- Initiated development of the legal framework on establishing OSS for construction permits.
- Finalized and validated business process mapping for import/export operations that require permits from ANSA.
- Drafted and proposed amendments to streamline the RIA methodology.
- Concluded the Business Media Partnership program, which included participation of 10 journalists from 8 media outlets, and resulted in 39 media products on topics of business environment reforms.
- Completed communications and media training for employees and management of the Moldova STS.

SECTION I: PROJECT RESULTS 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

Support the STS to enhance the Taxpayer Online Current Account to the benefit of taxpayers and the STS (1.1.1).

BRITE, together with STS and FiscServInform (FSI), finalized the technical task for the final proposal to enhance the Current Account. This was based on a formal request of STS from July 2014 where they requested 14 separate enhancements. After discussion with STS management we agreed to fund four of the most important in terms of impact and urgency for STS. The main element from the perspective of BRITE is the development of the electronic certificate of “no debts” that will allow public authorities requiring the certificate to obtain it electronically, thus eliminating the need for paper documents. Below is a brief description of the planned enhancements.

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 (60%). Presently, there is no mechanism in place to assign the transactions a territorial statistical code and this creates difficulties for the tax inspectors to identify and analyze the data per localities, also resulting 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. Implementation of the electronic register of certificates on the absence/existence of debts to the national public budget will allow recording of every user access of the related data, including tax inspectors and those public authorities authorized by STS.
3. In order to make the reporting process faster, more accurate and efficient, it is also necessary to develop a 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 an additional report on the penalties will help inspectors to make decisions that are more accurate.

Currently, the tax inspectors are performing these tasks manually or in a semi-automatic mode. Therefore, STS proposes to automate these processes in order to 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.

BRITE this quarter concluded a contract with DAAC Systems Integrator (DAAC), the developer of the original Current Account, to complete the technical tasks and the required programming and to activate all the described enhancements by April 2015 at the latest. An accompanying action plan and timeline was also agreed to and signed by all parties – STS, FSI, DAAC and BRITE. By the end of the quarter, STS and DAAC had agreed on the final technical tasks for all four functionalities and begun programming the enhancements.

Streamline the tax payment system to reduce the number and frequency of individual tax payments, including social payments (1.1.2).

This quarter BRITE also finalized a study and final report to reduce the number of individual tax payments made by economic operators. This included a thorough review and mapping of the business processes within STS and the Treasury related to handling revenue payments.

Because the Treasury is now implementing a new Public Finance Management IT System, an entirely new payment system cannot be introduced. However, BRITE proposes an interim solution that is targeted at companies currently e-filing and using the Taxpayer current Account, which accounts for about 32,000 taxpayers.

In this case, when paying taxes and fees the taxpayer would prepare a single payment document (payment account), where he/she would indicate the type of taxes/fees to be paid (either outstanding or new tax obligations), as well as their breakdown by subdivisions, if any. To ease the process of issuing this payment document, an information system would be developed to extract from the taxpayer master file the balance for the day the payment document is prepared and the amounts of the tax obligation due for settlement in the near future (liabilities). After the payment document is prepared it would be stored in the Log of payment documents of the STS and a generalized payment order will be issued for the total amount from the payment document. The taxpayer makes the transfer to the budget according to this payment order or according to the payment order generated by the company's own accounting system. The Central Treasury, as soon as cash is accumulated to the single account, will decode the payment order based on the payment document stored in the Log of payment documents.

The proposed solution does not impact the current mechanism for breaking down the payments to the state and local budgets, and most importantly, it minimizes the time and cost of the taxpayer for paying taxes and fees to the National Public Budget by means of a single payment order. The report also makes a number of other recommendations such as incentivizing e-filing by offering digital signature free of charge, consolidating local taxes, and narrowing the definition of "subdivision" to ease the reporting and payment burden. All these could be done with no negative impact on revenues. The final report was sent separately to USAID and other stakeholders.

BRITE has sent the report to the MoF, STS and other stakeholders for review. In the coming quarter, we will seek approval of MoF/STS to proceed with implementing the concept and then discuss with the Treasury the possible timing. If approved, we will finalize an action plan with all stakeholders and begin drafting any required legal amendments and technical tasks.

Identify and implement other measures to streamline tax administration (1.1.3).

BRITE continued to promote its recommendations for streamlining the process of voluntary liquidation. This is covered in more detail in Component 2 below.

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

A2a. Introduce Refined Compliance Risk Model

Implement Blue Lane according to the work plan approved by the MCS (1.2.1).

In addition to earlier amendments to the Customs Code to allow for Blue Lane processing of customs declarations as a normal procedure, MCS introduced several additional amendments to clarify the procedures for desk audits that would result from Blue Lane processing. BRITE reviewed these for compliance with good practice and had no objections. MCS will try to insert these into the 2015 Tax and Customs Policy law, which is still in draft form.

MCS also reaffirmed its commitment to introduce Blue Lane processing during its study tour to Finland Customs (see below) and develop the risk required risk profiles. Once the amendments are approved by Parliament BRITE is prepared to help MCS begin implementing Blue Lane.

Assist the MCS to develop its 2015 Strategic Risk Assessment Plan; target a success rate of at least 20 percent by the end of Year 3 (1.2.2).



BRITE has made considerable progress in helping MCS view risk management more holistically and strategically. This quarter was spent working with the risk management and post clearance audit (PCA) teams to evaluate their past performance in critical risk areas and identify areas that should be targeted in 2015. This included identifying 4-5 Blue Lane categories, and analyzing the results of PCA and valuation cases based on country and commodity. BRITE also developed a risk management strategic

planning manual to help guide MCS in developing its annual risk management strategy. Based on the results of the study tour to Finland (see below), MCS will complete the final 2015 risk plan for review by BRITE's Customs Advisor Nigel Moore in late January. Full implementation of the strategy will still depend on amendments to the Customs Code to allow Blue Lane processing.

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 was organized in late November prior to the study tour to Finland in order to prepare the participants for discussions on this topic with their Finnish colleagues.

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. The training should allow them to conduct more in-depth analysis of the available data and to decrease the time of a usual analysis from 2-3 days to about 3-4 hours. The training was provided by Mihai Bologan, BRITE's M&E Adviser, and was very well received. One participant commented that "this type of collaboration and training is very welcomed, since it aims at a specific, well-determined goal." BRITE has agreed to provide ongoing mentoring of selected risk management staff to further build their capacity for more sophisticated analysis.

Organize a study tour to promote Risk Management best practices (1.2.3).

From December 9-13, 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 Moldovan Customs Service (MCS). The tour delegates included:

1. Mr. Iurie Ceban – Head of Law Enforcement Department
2. Ms. Natalia Calenic – Deputy Head of Customs Control and Revenues Department
3. Mr. Valeriu Kozirev – Head of Risk Management
4. Ms. Irina Rosca – Head of Management of Selectivity System Section
5. Mr. Octavian Andriuscenco – Head of Post Clearance Control Division
6. Mr. Nigel Moore - BRITE Risk Management Consultant
7. Ms. Eugenia Stancu – BRITE Deputy Chief of Party
8. Ms. Cristina Umanet – BRITE Translator/Interpreter

The Study Tour was aimed at researching and gaining an understanding of the following areas:

1. Strategic Risk Assessment. The methodology used by Finland Customs in the identification, assessment, prioritization and treatment of strategic risks both at a national level and within an economic sector.
2. Allocation of Resources to Risk. The prioritization and allocation of resources to address strategic risks.
3. Risk Analysis Division. How this team uses available information to analyze risk areas and set specific profiles, including the major systems available to the team to support their work.
4. Statistical Sampling. How statistical sampling techniques are used to validate and identify risks, including the use of Information Technology tools to support the process.

The Tour program itself involved the delegates visiting Finland Customs Headquarter offices in and the National Risk Analysis Center, both in Helsinki. During these visits senior personnel responsible for overseeing and working in the risk management and customs control areas of Finland Customs gave detailed presentations on the Finnish approach and procedures.



The final day consisted of a workshop where the delegates discussed what they had seen and learned and what actions they planned to take upon return to Moldova. These follow up actions include:

- Agreement of customs control targets of 10% RED / 20% YELLOW
- Introduction of Blue Lane to support achievement of customs control targets
- Introduction of strategic risk management planning process
- Review of Risk Analysis Division resources
- Review and development of risk management coordination mechanisms
- Review and development of risk communication mechanism
- Establishment of a risk analysis and risk profile library
- Continuation of training of Risk Analysis Division staff in statistical analysis
- Centralization of electronic clearance procedure (Center of Electronic Services)
- Expansion (development) of the AEO concept

A full report of the study tour and the accompanying information and presentations from Finland Customs were provided to USAID separately.

Promote Joint Border Agency profiling (1.2.4).

This activity is scheduled to begin later in Year 3.

Develop internal Risk Management Communications Strategy (1.2.5).

This activity is scheduled to begin later in Year 3.

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 Year 3 (1.3.1).

Despite having the legal procedures in place to implement simplified procedures the customs computer system ASYCUDA must be modified to allow for their full implementation. This is

covered in Activity 1.5.3 below. In the meantime, BRITE is working closely with MCS to determine the specific aspects of each simplification measure so as to maximize trade facilitation. We plan to address this in next quarter.

Streamline selected customs regimes based on EU norms (1.3.2).

BRITE local STTA Valentin Armas worked closely with the regimes division in MCS to finalize the draft legal amendments to bring the regimes of customs warehousing and inward processing relief into closer compliance with EU practices. The recommendations were made by Nigel Moore in Year 2. BRITE and MCS will try to insert these into the current draft of the 2015 Tax and Customs Policy law. If approved, BRITE will work with MCS to develop procedure manuals for customs officers and guides for businesses.

Implement Authorized Economic Operator (AEO) program (1.3.3).

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.

BRITE's STTA Jerry Wellens provided detailed commentary on the draft pre-audit procedures prepared by MCS. These focused mostly on ensuring that pre-audit was a means to encourage compliance and a partnership with trade and not a tool to punish non-compliance. These were largely accepted by MCS and incorporated into a new draft that was sent to the Government in December.

Also in October, Mr. Wellens conducted a specialized training in AEO pre-audit evaluations of prospective AEO candidate companies. This consisted of a one-day AEO awareness training for 15 staff and a two-week pre-audit training for 13 staff from the headquarters and regions. The course was built around the EU AEO approval best practice using the Compact Model for Authorization and was delivered using a mixture of technical input, group discussion and exercises, and case study material with role playing to practice pre-audit interview techniques in a safe environment. The attendance from some headquarter staff was disappointing but, by and large, the core group of the auditors was trained and the feedback was positive. Mr. Wellens also made a number of recommendations for MCS to further improve its AEO program, which BRITE is prepared to help implement. These include:

1. Develop and publish an AEO implementation strategy that would cover:
 - Plans and timescales to reduce border monitoring of approved traders
 - The post-clearance control of AEOs
 - Development of alternative measures of audit success
 - Information-sharing with the legitimate trade on its responsibilities
 - The sharing of best practice

The strategy also should be monitored by a joint Customs/Trade Steering Group.

2. Mentored pre-audit visits where an expert would be involved as a facilitator/resource in the planning, visit and debriefing of a live pre-audit of an AEO applicant company. The expert would give feedback on the auditors approach and reinforce important messages.

3. Consider centralizing the AEO pre-audit function in a well-trained and qualified team rather than regionalize the function.



MCS management received the final report and recommendations favorably and has agreed to discuss joint activities in AEO implementation with BRITE next quarter after the formation of the new government.

Introduce Electronic Import System; targeting 25 percent of all import declarations to be submitted electronically by the end of Year 3 (1.3.4).

As mentioned last quarter, e-Import became possible as of September 1, 2014 as a pilot program at two border crossing posts – Tudora and Sculeni. The legal and administrative procedures were drafted with BRITE support. Full electronic (paperless) import will be available at all BCPs as of March 2015. According to MCS, only 7 import declarations were processed by November. We expect that planned STTA on ASYCUDA enhancements will improve both the process and usage of e-Import and prepare for its full launch in March 2015.

Introduce deferred payment of duty and taxes on imports (1.3.5).

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, which should be implemented by 2016, but BRITE is advocating for its introduction sooner, particularly for AEOs. This quarter we launched a survey of importers, including all AEOs, to determine the costs and administrative burdens imposed by pre-payment of all trade revenues. We plan to incorporate the results into a briefing note for key decision makers in the new government in early 2015.

A key success this quarter, and one related to deferring the payment of customs obligations, was MCS' approval to allow traders to defer any duty and tax adjustments based on uplifts in valuation. This will allow traders and MCS to resolve any disputes arising from declared values after release of the goods. MCS approved a period of 30 days to complete the final declaration and pay any resulting revenues. BRITE's role was to work with MCS to draft the implementing provisions and RIA, and promote them in the National Working Group. The new rules were approved an MCS Order and published in November. BRITE will now monitor implementation and try to assess the economic impact over time.

Reduce the number and streamline the issuance of import permits (1.3.6).

In November, BRITE began the first stage of this work by hiring STTA Silvia Vilcu to develop the inventory (database) of all import permits according to existing law and applying them to their HS commodity classification code. Ms. Vilcu completed a similar assignment for export permits in Year 2. By the end of the quarter, approximately 40% of the work has been completed - more than 5,600 tariff positions have been reviewed and verified from the total amount of about 14,000 tariff positions. These positions were also reviewed relative to the EU integrated tariff (TARIC). The whole inventory will be finalized in early March, after which BRITE and the MCS will organize public discussions to streamline the list, finalize the electronic database, and draft the required legal amendments.

A2c. Streamline the Export Process

Reduce the number and streamline the issuance of export permits (1.4.1).

The initial inventory of all export permits was completed in Year 2 and presented to MCS for further action. Since that time, BRITE and MCS held an initial meeting with representatives of ANSA to enlist their support in eliminating the need for mandatory phyto-sanitary and veterinary certificates for export, and instead issuing them only at the request of exporters. Though initially supportive, ANSA management later refused to support this reform claiming they were obligated by international conventions to issue export certificates. While this is likely not the case, at least for all food products, BRITE and MCS have agreed to promote this reform together with the MoE as part of its broader permit reform efforts.

At the same time, MCS would like to include trade permit reform as part of an effort to revise the Moldova Integrated Tariff (TARIM) to be more compatible with the EU Integrated Tariff (TARIC). This is part of an EU-funded project to develop an electronic Single Window for trade in Moldova, part of which must include an integrated tariff that incorporates all legal requirements for trade for all types of goods. TARIM currently has all information related to tariffs but does include other legal requirements for goods by their commodity classification, i.e. licenses, certificates, permits, etc. The work BRITE and MCS are doing to inventory and streamline trade permits will lead to a revised TARIM in electronic form. BRITE plans to hire a short term expert in the EU TARIC to ensure our approach will lead to full compatibility with TARIM.

Introduce self-certified certificates of origin (1.4.2).

This quarter MCS informed BRITE that they will receive support from EUBAM to implement self-certification according to EU norms. No further support of BRITE is required. We will continue to monitor developments with EUBAM, as this is also a facilitation measure related to AEOs and risk management, i.e. “trusted exporters”.

Promote and expand the use of electronic export; targeting 55 percent of all export declarations by the end of Year 3 (1.4.3).

The use of electronic declarations for export continues to grow, reaching nearly 40% of all export declarations in the month of November before dipping to 35% in December.

Figure 1. Number of Paper and Electronic Export Declarations (2014)

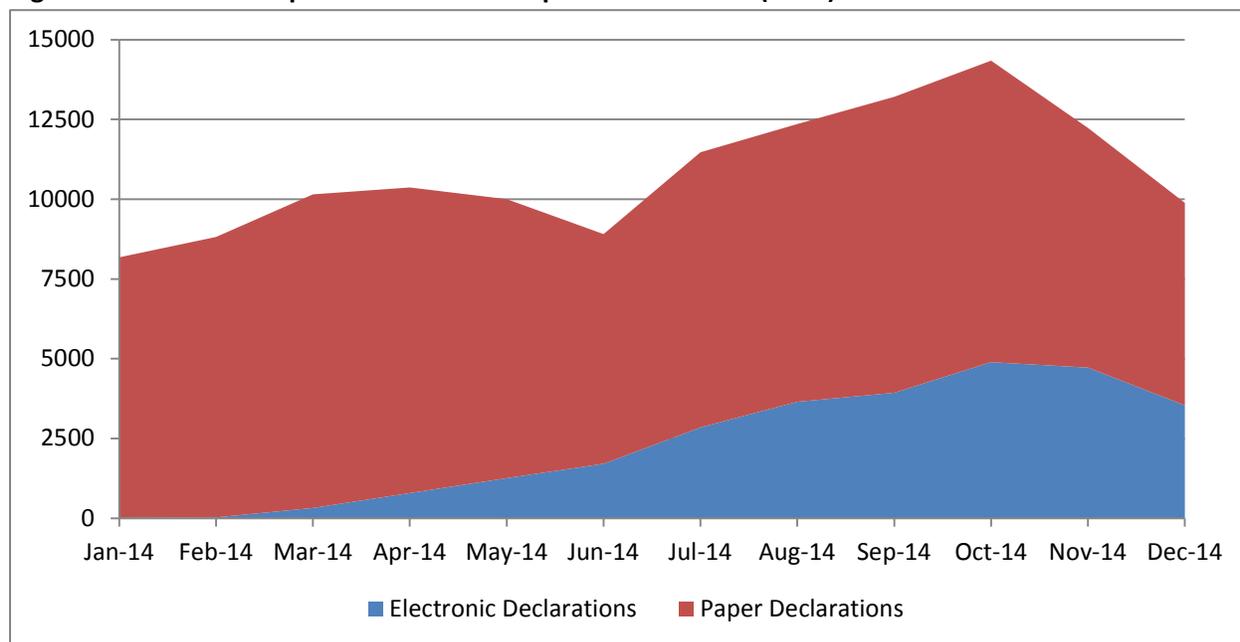
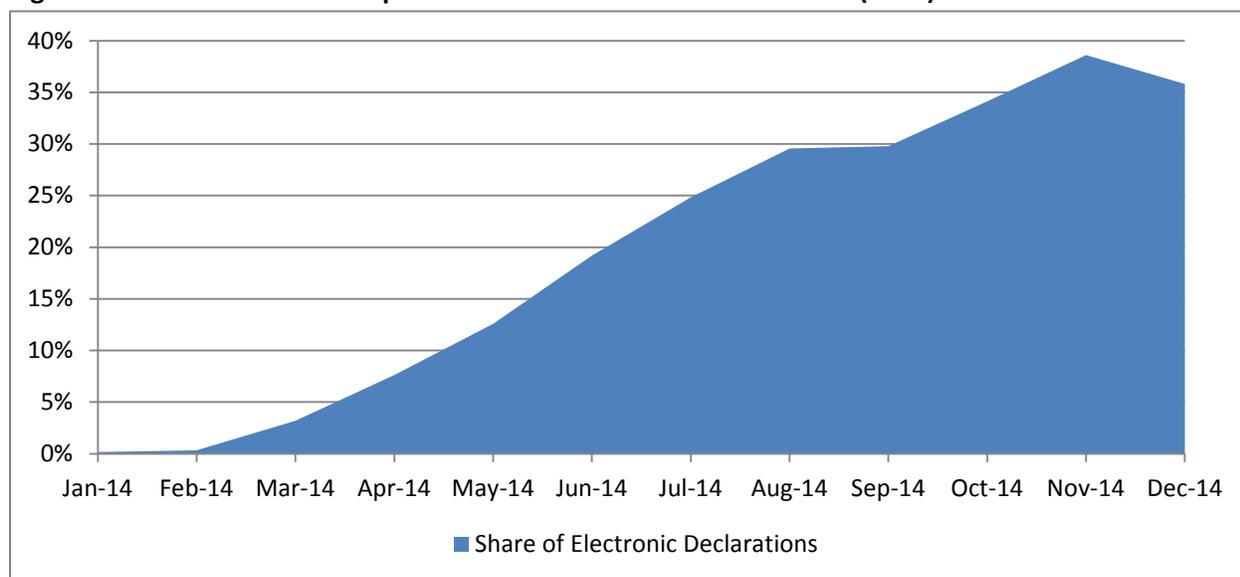


Figure 2. Share of Electronic Export Declarations to Total Declarations (2014)



BRITE and MCS have agreed to launch a new awareness campaign for e-Export that more closely targets exporters, particularly SMEs, and increase the share of e-Export to the total. This will begin in early 2015 and include on-line messages, posters and flyers at internal customs posts and regional events to promote all MCS reforms (see Component 3).

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 (1.5.1).

This activity progressed significantly this quarter and is now at the stage where we can re-validate our findings with ANSA. In November and December, BRITE's Legal and IT Adviser held numerous meetings with officials from ANSA, AmCham, Association of Meat Processing Enterprises and various individual importers and exporters. This allowed us to complete a more detailed process map and description of the businesses processes (*de jure and de facto*) for issuing phyto-sanitary and veterinary-sanitary permits for import and export. As an example of some of the findings, every import or export operation involves a preliminary approval and three inspections performed by ANSA personnel. The measures proposed by BRITE (see Component 2) will aim to eliminate these burdensome procedures and bring the permitting process in line with international practices. If these can be accepted by ANSA or promoted at a higher level in the Government, BRITE can begin developing the IT solution to streamline and automate the process.

Develop electronic data exchange among the MCS, the STS, and the CRIS Register to eliminate some paper transactions and need for visits to public authorities, and to enhance Risk Management capabilities within the MCS and the STS (1.5.2).

BRITE successfully negotiated the language of a Memorandum of Understanding (MoU) between all four parties for the development of the data exchange. At this stage, we are enlisting the support of a short term expert in ASYCUDA World to develop the technical task and implement the web service data exchange between the E-Government Center's interoperability platform and ASYCUDA. This is the only piece that cannot be provided by local resources, since we need someone with knowledge of the ASYCUDA source code. We hope to hire this expert for an initial assignment in late January.

Activate additional modules in ASYCUDA to implement EU Simplified Procedures in customs and paperless processing (1.5.3).

As with activity 1.5.2, we expect the same ASYCUDA expert to provide support to MCS in the first quarter of 2015 to fully implement paperless processing and simplified procedures in ASYCUDA.

A2e. Other Activities to Improve Communications and Increase Transparency

Support the National Customs Consultative Committee (NCCC) (1.6.1).

Because of a lack of issues presented by NCCC members and the parliamentary elections in late November, no meeting of the committee took place this quarter. We hope to organize the next meeting for February 2015 after the formation of the new government.

Ensure all MCS Internal Orders conform to Moldovan law (1.6.2).

As reported last quarter, all internal orders identified for cancellation were cancelled by MCS, and they continue to prepare revisions to others that will require Government decisions. MCS has not requested our assistance, but we hope to engage with them in the coming quarter to complete this work.

Develop plain-language guides for economic operators based on reformed customs processes (with Component 3) (1.6.3).

BRITE and MCS completed its first procedure manual for the customs regime of Inward Processing Relief. This is a very important customs regime for manufacturers who import raw materials and export finished goods, and clear procedures are important for attracting foreign investment in manufacturing/export-oriented sectors. Based on reforms introduced in Year 2, BRITE and MCS worked with a local expert to develop a detailed procedures manual for customs officers. This was completed in December and approved by MCS. Based on this, BRITE will now work to develop a guide for businesses and traders who wish to apply for inward processing relief. We plan to start this in January and complete it no later than February.

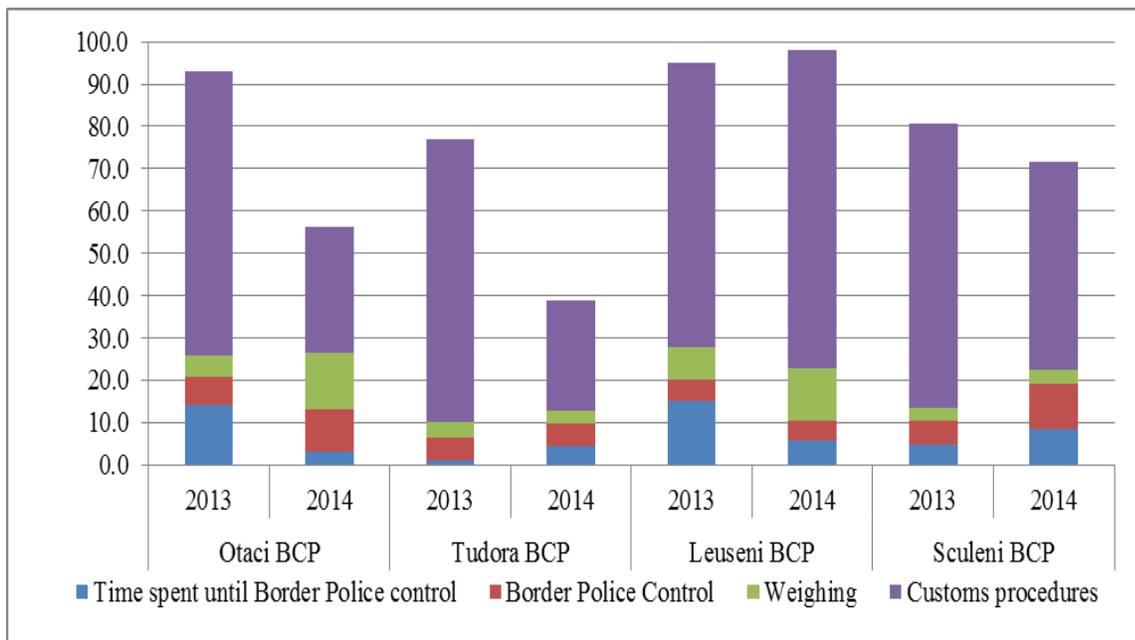
Other manuals and guides planned for 2015 include customs warehousing, temporary admission, outward processing, and binding rulings.

A2f. Other Activities

Conduct time-release studies at selected border crossing points (BCPs) (1.7.1).

This quarter BRITE completed the analysis of the study of import/export process times at four BCPs in 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, but below is a summary of the main findings.

Figure 3. 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. Figure 1 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. Troublingly, e-Export seems to be causing problems for some customs posts (see below).

Figure 4. Average outbound time at BCPs (2013 vs. 2014) on a T1 declaration

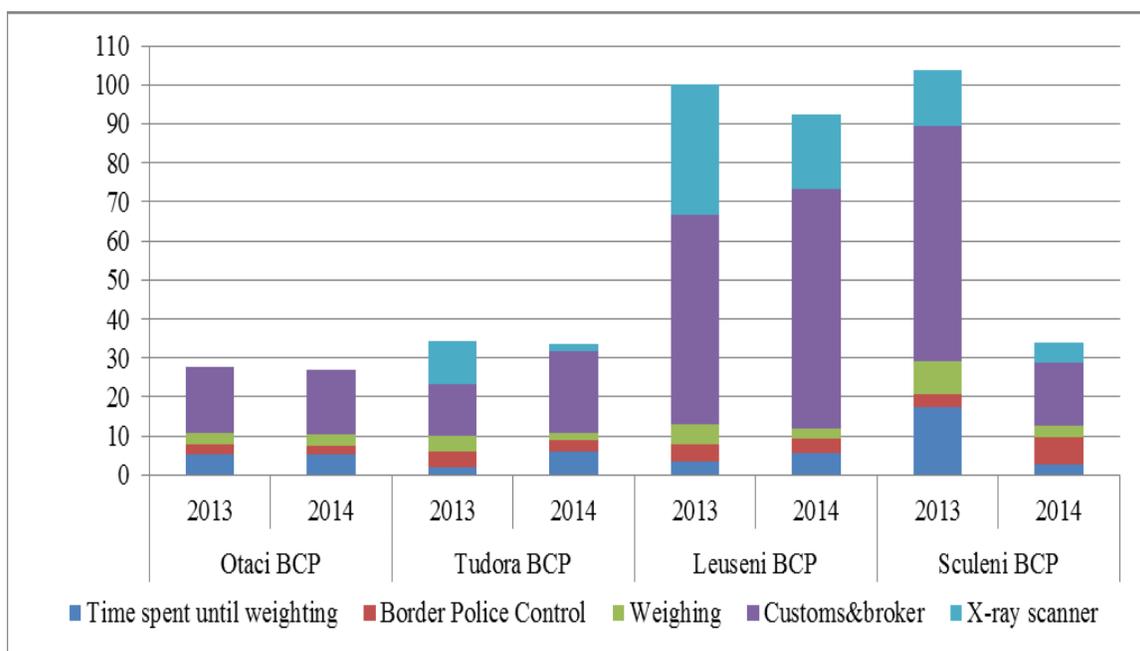


Table 1. Average Crossing Times at BCPs (2014 vs. 2013)

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.

Main findings include:

- 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. At Leuseni BCP, e-export declarations are faster than T1 and TIR types of declarations.

Survey of Transport Companies

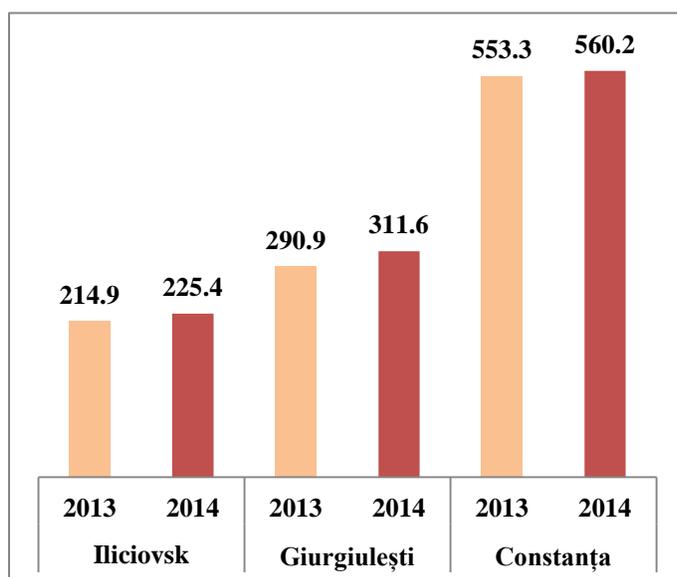
This quarter BRITE also surveyed a representative sample of 200 cargo transport companies from Moldova to assess their perceptions and experience regarding various aspects of BCP procedures and inspections, transport costs, DCFTA, impact of the crisis in Ukraine, customs brokers etc. This was also intended to enhance the BCP timing study with qualitative data based on the perceptions of transporters.

Some of the key findings in this survey include:

- Respondents consider that phyto-sanitary and veterinary inspections are easier compared to 2013, but also they perceive that these inspections are more frequent. The Border Police and Customs inspections are perceived as easier and quicker than in 2013, while the X-ray scanning might take even more time.
- There is an opportunity for companies to use more frequently the international weight certificate, and 31% of companies have this certificate either always or usually.
- Transporters do not perceive the truck inspection as burdening; in most cases the truck is inspected just from the outside, without unlocking/unloading the goods.
- The crisis in Ukraine affected the cost of transportation, which in most cases increased, but for about 46% of companies these costs remained the same.
- DCFTA is known by most companies, however not all of them know exactly what it comprises. There is a debate over how the quality standards and high competition would affect the trade with EU.
- Few companies offer services of transportation to and from Giurgiulesti Free International Port (GFIP). Some companies may begin offering this, but currently there are a number of impediments that make trading through GFIP less attractive, such as the poor road infrastructure and distance. There is also still low demand from traders.
- The average cost to move a container from a sea port to Chisinau also increased in 2014 compared to 2013 (see below).

TRANSPORT COSTS

Figure 5. Cost of transporting a 20' container from sea port to Chisinau (USD)



In order to determine both a change compared to the last year and to get comparative data, we asked the respondents to provide the cost to transport a 20-foot container of textiles for nearby ports.

On average, it is more expensive to trade through GFIP, compared to Ilichiovsk (Ukraine), and considerably more expensive to transport a container from Constanta Port (Romania).

Compared to 2013, the prices increased on average: by 4.9% for Ilichiovsk, by 7.1% for GFIP and by 1.2% for

Constanta.

Table 2. Cost of transporting a 20' container with conventional goods (textiles) from port to Chisinau (USD)

Port	2013	2014	Difference (%)
Ilichiovsk (UA)	214.9	225.4	+4.9
Giurgiulesti (MD)	290.9	311.6	+7.1
Constanta (RO)	553.3	560.2	+1.2

B. Component 2: High-Impact Regulatory Reforms

B1. Project Intermediate Result 2.1: Regulatory framework improved

Improve Moldova's ranking in the annual World Bank *Doing Business* survey.

Protecting Investors (2.1.1).

The bill of amendments prepared by BRITE to the Joint Stock Companies (JSC) Law is still pending in Parliament. BRITE plans to engage directly with the key parliamentary committee once the new parliament and government are formed.

Trading Across Borders and Paying Taxes (2.1.2).

While not directly affecting the *Doing Business* ranking of Moldova, phyto-sanitary and veterinary-sanitary regulations issued by ANSA have a significant impact on trading across borders for many Moldovan companies. In connection with Component 1 (Activity 1.5.1) BRITE is carrying out a comprehensive assessment (*de jure and de facto*) of the permits issued by ANSA that are required for business to perform import and export operations. What we have

discovered is that there are different regulatory regimes regarding ANSA permits, and, in practice, ANSA is applying additional requirements and procedures that differ from the provisions in laws. In order to develop a streamlined permits process and an electronic system to verify permits and facilitate trade, a number of legal reforms will have to be implemented; otherwise no benefits will accrue to the traders. In the coming quarter, BRITE will finalize a package of legal amendments that will help streamline this process within ANSA and pave the way for the electronic solution envisioned in Activity 1.5.1.

Dealing with Construction Permits (2.1.3).

In Year 2, BRITE finalized an assessment and mapping of the construction permitting process in Moldova. Based on this we developed a concept for streamlining the construction permitting process within the existing construction law through improvements in various government decisions. In November, we contracted a local legal expert to develop the legal framework to implement the concept. To date, the expert has held meetings with relevant stakeholders, including representatives of the Ministry of Construction, private companies and professional associations, and completed a first draft of a government decision to establish a OSS for construction permits. BRITE staff also continued meeting with companies that have recently completed the construction permitting process in order to further validate our approach. We expect to complete a final draft to be presented to the key stakeholders in the new government no later than February 2015.

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 (2.2.1).

As part of its support to the MoE to implement the Road Map and the RRS, BRITE finalized and submitted to the MoE 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. Amendments propose eliminating 27 permits (out of 282) and 9 licenses (out of 32). In addition, amendments intend to eliminate fees for certain permits; simplifying 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 limiting situations when entrepreneurs are required to obtain a permit. Consultants in the MoE are now reviewing these proposals and having preliminary consultations with some of the affected authorities. Once the new government is in place we hope to have the drafts reviewed with the relevant public agencies and interested business associations, and distributed for public consultation.

Streamlining the issuance of internal (retail) trade authorization by local public authorities (2.2.2).

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.

BRITE this quarter finalized its work on developing amendments to the Law on Internal Trade, which intends to dramatically streamline the issuance of trade authorization. Some of the features of BRITE's approach include:

- The period to issue trade authorization shall decrease from 70 days to 7 days
- Unnecessary requirements and documentation will be eliminated;
- Final list of documents will be established for all applicants;
- Powers and responsibilities of the governmental agencies participating in the authorization process will be clarified;
- All the compliance requirements of the applicant will be clearly established;
- Local authorities shall issue authorizations for an indefinite period of time, eliminating the need of business to renew the authorization annually.

BRITE supported MoE in promoting these draft amendments; participated in 27 separate meetings with public agencies, private sector individuals and professional associations; and offered additional explanatory and motivational notes to the ministries. As a result, the Government approved the BRITE-supported bill of amendments on trade authorizations in October, and sent them to the Parliament for final review and adoption. As with other pending draft legislation, BRITE and MoE plan to engage early with key parliamentary committees to advocate for and encourage their passage.

Streamline the voluntary liquidation of the enterprise (2.2.3).

BRITE's proposals to streamline the process of voluntary liquidation unfortunately progressed no further this quarter, largely because of the pending election in late November and continued disagreement within STS and MoE as to how to promote the draft. BRITE agreed with both MoE and STS to address the proposal after the formation of a new government in early 2015.

Consolidate and streamline business reporting requirements (2.2.4).

According to BRITE's work plan, the activities on consolidating and streamlining business reporting requirements include three main stages: i) assessment of the current process and legal framework, ii) developing a high-level concept paper and relevant legal amendments to streamline the process, iii) developing and implementing any required IT solutions. This quarter, the Economic Council under the Prime Minister announced it will carry out the same assessment and issued a directive to the relevant authorities - STS, CNAM, CNAS and NBS, to participate in a working group and begin providing the necessary information to start the work. The Economic Council also asked for BRITE support in the form of a local adviser to be seconded to the Council. BRITE and USAID agreed instead to participate in the working group and determine later what assistance we could provide to ensure the best result. At this stage, only one meeting of the working group has been held, but we will try to pursue this activity in cooperation with the Economic Council rather than separately.

Develop policies and procedures for determining fees for mandatory services (2.2.5).

This issue will be addressed later in Year 3.

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

Strengthen the regulatory impact assessment process (2.3.1).

This process was started in Year 2, initially with the participation of outside consultants, but was later assumed entirely by BRITE. At the end of Year 2 the issue was discussed in a one-day forum on RIA that included discussions of U.S. and other international best practices and the lessons for Moldova. Based on this, our own experience with the process, and the recommendations from the RIA Secretariat and MoE, BRITE developed a number of changes to the Regulatory Impact Assessment (RIA) Methodology (Government Decision no.1230/2006), which we feel will streamline the process and improve the quality of the evaluation of any new regulatory initiatives. The main features of these proposals include:

- 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.

In November, BRITE presented its RIA proposals at a workshop with MoE representatives, RIA consultants and AmCham. Some proposals were welcomed while others, like eliminating preliminary RIAs, were opposed by some groups. MoE agreed to table these proposals until after the election and the formation of a new government. In the meantime, BRITE started work on a new RIA Guide for rule makers and templates for the RIA report, which should help public agencies in developing quality RIA reports.

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

Implement the State Local Act Registry (2.4.1).

This activity is being led by the State Chancellery, which is responsible for reviewing and approving all normative acts of local public authorities. This quarter, BRITE and the State Chancellery organized a workshop for representatives of local public authorities to present and

discuss proposed amendments to the Local Authorities Law and two draft regulations incorporated into a Governmental decision developed by BRITE. The essence of these changes is to 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. Once the new procedures are in place, BRITE has agreed to fund the development of an electronic registry of acts and a back office process for the State Chancellery to review and approve acts. We are pleased to report that the draft regulations passed all stages of public consultation and the State Chancellery plans to submit them to the new government for approval in early 2015.

Build capacity of both private and public sectors to provide information that will facilitate entrepreneurship (2.4.2).

This activity will begin later in Year 3 as new and streamlined business processes are introduced.

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

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

State Tax Service

- a) *Support the development of the STS e-newsletter, which includes voluntary sign-up for automatic notifications on fiscal interventions.*

Based on a survey developed by BRITE's team on the use of STS online resources, BRITE's communication team together with colleagues from SIDA developed a list of recommendations and a brief action plan on improving the use of online resources and disseminating information. In September, BRITE helped STS write and proof read the messages for the online notifications, and in October STS launched the service on the link <https://servicii.fisc.md/diseminare.aspx>, this includes the voluntary sign-up for the automatic notification in fiscal interventions.

- b) *Perform media relations and customer service training for STS employees*

This activity was started in Year 2, but concluded in October with the media relations training for upper management, including the Chief of STS, Ion Prisacaru. This 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 the Train-the-Trainer 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. These will be considered after the formation of the new government in early 2015.

- c) *Develop action plan and provide logistical support to launch new logo and brand book*

BRITE agreed to support STS by engaging the design firm to further enhance the brand book and correct errors and inaccuracies discovered later in the process. This will be done in early 2015. At that point, we have agreed to print copies for distribution in the territorial offices to help ensure its consistent application.

d) Perform assessment of call center activities to determine areas for improvement

This activity has been deferred, pending clarification from STS on its plans for the call center.

e) Work with STS staff to ensure information from call center inquiries and territorial office workshops is used to help inform communications activities.

This issue will be addressed later in Year 3.

Moldova Customs Service

MCS also responded to our recommendations for the new Customs web site, some of which were accepted. Next quarter we will start the English translation of certain key sections in preparation for its launch in late January.

MCS also expressed an interest in communications training similar to that delivered to STS employees this quarter, though nothing concrete has been decided or planned.

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

BRITE's Business Media Development Program with BDR Strategic Communication and AmCham concluded this quarter. The program enlisted the participation of 10 journalists from 8 media outlets and resulted in 39 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. At this stage, the jury selected by BDR and AmCham will evaluate the journalists and award prizes to those receiving the highest marks.

While we believe the model for engaging journalists was sound, its execution was less satisfactory, resulting in stories of varying quality and interest. Some of this is to be expected with so many journalists and a broad range of topics, but the selection of topics and the depth of analysis will need to improve with any continuing media partnership activity. BRITE is now developing ideas for the next stage of this work and will present its recommendations to USAID in early February.

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

BRITE and MCS agreed this quarter to expand the awareness campaign for e-Export in an effort to increase the use of electronic declarations, which have started to plateau. At the same time, MCS has received feedback from some exporters that they are unaware of the service and how to use it. This has led us to develop a campaign targeted at those not using the service. We have agreed that this will involve a combination of on-line and print materials and focus on internal customs posts, selected websites and regional events. An action plan was developed in

November and approved by the MCS Director General, and MCS communication staff have already started developing the messages, including a video tutorial.

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

The internal procedures guide prepared by BRITE and MCS for Inward Processing Relief presents the first opportunity to develop a companion guide for businesses. This will begin once the final manual is approved by MCS, which we expect in January.

Project communications (3.1.5).

Website and Facebook. BRITE’s website was updated with stories about the AEO training, the study tour to Finland for customs officers, government approval of changes in the law On Internal Trade, and the infographics developed by BDR under the media partnership program. The project’s Facebook page hit 662 likes in December.

SECTION II: OPERATIONS AND ADMINISTRATION

None this quarter

SECTION III: PREVIEW OF UPCOMING QUARTER

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

Component 1: Tax Administration

- Develop the new functionalities of the Current Account and test them, together with STS and FSI, using the testing platform.
- Start the implementation of the Single Account concept, if approved by MoF/STS.

Component 1: Trade Facilitation

- Secure STTA to support changes in ASYCUDA to implement key facilitation measures.
- Secure STTA to assist MCS and BRITE to finalize approach on a new integrated tariff for Moldova.
- Advocate with new Government and Parliament for legal amendments to authorize facilitation measures – Blue Lane, warehousing, inward processing, others.
- Finalize assessment of import permits
- STTA Nigel Moor to return to continue assistance to MCS to enhance risk management and revise the work plan based on new MCS priorities.

Component 2: Other High-Impact Reform Activities

- Work with the deputies and Parliamentary committees to explain and advocate for BRITE supported legal reforms, including those related to the Joint Stock Companies Law, internal trade authorizations, trade facilitation, local acts and ANSA.
- Develop ToR and RFP for establishing OSS for internal trade authorization;
- Finalize the assessment report describing the phyto-sanitary and veterinary-sanitary permitting process of ANSA; develop relevant legal framework that will streamline the import-export operations for business; develop ToR and RFP for establishing the OSS for permits issued by ANSA in connection with import-export operations;
- Finalize the draft Governmental Decision on OSS for the issuance of construction permits; organizing a workshop for MoE, Ministry of Construction and other governmental agencies and representatives of private sector in order to present and promote reforms; develop the ToR and RFP for establishing OSS for construction permits;
- Finalize the RIA Guide in RIA report template, and support MoE to advocate approval and implementation of amendments to the RIA methodology; develop a highly-practical and concentrated RIA training program for public servants.

Component 3: Strategic Communications

- Launch the new information and awareness campaign on e-customs
- Launch the information campaign with STS on changing the date of tax declaration.
- Develop plain-language guide for traders on Inward Processing
- Begin development of communications strategy and plan for enhancements to the Current Account.

SECTION IV: MONITORING AND EVALUATION

Activity 1. PMEP revised and approved by USAID

- All PMEP indicators and targets were updated and/or revised for the Year 3 work plan and a revised PMEP was approved in December.
- Data Quality Analysis WAS provided to USAID for three BRITE indicators.

Activity 2. Semi-annual Survey of Businesses

BRITE completed the analysis of its latest survey of the business community. The survey was conducted in August-September 2014 and the final analysis and report was completed by our partner, Magenta Consulting, in early December. The survey included 1,194 companies, of which 71% are VAT-payers; about 36% are importers and 20%, exporters, including 14% that both import and export. Some of the key findings include:

General Findings:

- The proportion of companies that are part of a business association represents 15% of the analyzed sample (or 9% of active companies¹). Most are members of the Chamber of Commerce and Industry and of specialized/sectoral business associations.

¹ Estimation based on the structure of companies provided by the National Bureau of Statistics.

- 63% of companies use digital signature; and this is proportional to the size of the company.
- The most utilized e-services are: electronic declaration (71%), taxpayer current account (64%), e-reporting to CNAS (62%) and e-reporting to CNAM (55%).

Trade:

- 55% of companies know well the customs regulations and procedures.
- Respondents indicated that the main obstacles to import / export are costly duties (12%) and bureaucratic procedures (10%).
- Only 9% of respondents currently use GIFP; 12% mentioned they may start in the coming year. The remainder either would not use the port or had no opinion.
- Exports and imports for half of the companies that trade has remained unchanged following the crisis in Ukraine. 29% of exporters indicated a decline, while 25% of importers reported declines in volumes.
- Importers and exporters are aware to a greater extent of the following reforms: implementation of electronic export, and the ability to clear export shipments at the border instead of internal customs posts.

Paying Taxes:

- Only 17% of companies indicated the time required to pay taxes is significant. 59% indicated it took little or very little time.
- Companies surveyed indicated an average of 4.1 monthly payments to the State Budget 2.4 - CNAS, 2.0 – to CNAM and 2.4 for local tax payments.
- Taxpayers perceive STS's attitude towards them as positive (63% - good and very good); only 6% of respondents considered it negative (bad and very bad).
- The level of professionalism in general for tax officials has appreciated to 62% of taxpayers as a medium. As for the perceived level of professionalism among tax officials, 28% believe it is high, while 6% reported it as low.
- About 70% of respondents have heard about the Taxpayers Current Account, most of which have benefited from its implementation.

Regulatory Reform:

- Over the past 3 years, 13% of companies have carried out construction works; the average time reported to collect all necessary approvals was 9.5 months; 26% of the relevant companies described the process as either difficult or very difficult.
- About three quarters of the surveyed companies require a trade authorization, obtained on average in 31.4 days.
- Estimated monthly average time required to prepare and submit reports to the NBS, STS, CNAS and CNAM is 6.8 days (weighted sample: The average is 6.1 days)
- Calculation of income tax, net salary, and health and social security contributions is considered smooth and very smooth by most taxpayers.
- Half of respondents think it would be good if the base / methodology of calculating income tax, social and medical insurance would be unified.
- Regarding the consolidation of STS, CNAS and CNAM reports, 37% of respondents think it would be a good idea, 6% - that would not be good and 38% - do not believe it possible.

Activity 3. Progress toward PMEP Targets

The first quarter of FY2015 (Y3 of BRITE program) was less active in terms of reforms fully implemented as in previous quarters due mainly to the election period and the decrease in activity of some public institutions, particularly Parliament, which effectively ceased its work in August 2014.

The quarter was very active in terms of trainings, and the project set a record of 1,634 person-hours in just one quarter, much more than the annual target of at least 1,000 person-hours. The proportion of female participants in BRITE activities this quarter was 56%, which exceeds our PMEP target of at least 45%.

The monetized benefits counts basically reflect the impact of the reforms implemented earlier. However, the dynamics for e-export declarations remains positive, so we counted even more impact for this reform. Still, the impact for the public sector remains low compared to the impact produced in the private sector, which could be explained by the different sizes, the private sector being larger. Some PMEP indicators were adjusted after the final results of the third semi-annual. The differences are not significant.

The Moldovan Exports and Trade diversification index, which is now updated for Q2 FY2014, has fallen below the baseline of 3.0. This is due to the trade difficulties with the Russian Federation and also is a consequence of the crisis in Ukraine. However, the value of exports increased overall.

The recorded number of articles in media climbed to 29 as we recognized the media stories that resulted from the partnership between AmCham, BDR and local journalists. This includes stories on business environment issues that appeared in print, online and on TV. Some of these appeared in FY2014 but we have captured all of them in this quarter as the media program ended in December.

ANNEX A: PROGRESS TOWARD THE PERFORMANCE MONITORING AND EVALUATION PLAN

Nr.	Indicator	Unit	Data Source	Frequency	Baseline	Results			Target		Life of project
						FY2013	FY2014	FY2015Q1*	FY2015	FY2016	
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	%	World Bank Doing Business Report	Annually		4.4	7,1	-	4	4	20
2	Monetized benefit of BRITE-sponsored reforms to the private sector	ml. USD	Project records, based on Standard Cost Model methodology	Quarterly	0	1.18**	22.19**	6.78	35	42.15**	100
3	Monetized benefit of BRITE-sponsored reforms to the public sector	ml. USD	Project records, based on Standard Cost Model methodology	Quarterly	0	0.09	3.6**	0.91	46	50.31**	100
4	Number of activities and initiatives, supported by BRITE, and involving the participation of businesses in PPD	area	Project records	Quarterly	0	10	15	0	15	15	55
5	Percent of private sector representatives that consider having benefited from reforms implemented with BRITE assistance	%	Survey of private sector	Semi-annually	0	47.4	65.2	45**	60	70	70
6	Number of regulations and administrative procedures eliminated, streamlined or simplified with BRITE support	#	Project records	Quarterly	0	12	11	0	16	16	55
7	Person hours of training provided by USG	#	Project records	Quarterly	0	1776	2060	1634	1000	700	5536
8	Proportion of female participants in BRITE-assisted activities, initiatives and events	%	Project records	Quarterly	37.4	55.6	39.9	55.9	>45	>45	>45
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	#	World Bank Doing Business Report	Annually	220	181	185	-	176	165	165
10	Number of tax payments businesses must pay each year	#	World Bank Doing Business Report	Annually	48	31	21	-	20	10	10
11	Private Sector perception index score for paying taxes	1 (very difficult) - 5 (very easy)	Survey of private sector	Semi-annually	n/a	3.97	3.79	3.73**	4.2	4.3	4.3
12a	Time to export	Days	World Bank Doing Business Report	Annually	32	32	23	-	20	18	18
12b	Time to import	Days	World Bank Doing Business Report	Annually	35	35	27	-	24	20	20

Nr.	Indicator	Unit	Data Source	Frequency	Baseline	Results			Target		
						FY2013	FY2014	FY2015Q1*	FY2015	FY2016	Life of project
13a	Number of documents required to export goods across borders	#	World Bank Doing Business Report	Annually	7	7	9	-	6	5	5
13b	Number of documents required to import goods across borders	#	World Bank Doing Business Report	Annually	7	8	11	-	6	5	5
14	Moldovan Exports and Trade diversification index	1 (very low) - 5 (very high level)	Official Statistics	Quarterly	3.14	3.07	3.04	2.97	3.25	3.4	3.4
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	%	RIA Consultants' activity reports	Quarterly	22 (Y1)	22	29	n/a	40	50	50
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	%	Survey of private sector	Semi-annually	0	0.4	11.1	9.2**	25	40	40
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	#	Project and partners' records	Quarterly	0	43	55	30***	50	52	200
18	Percent of private sector representatives that respond positively regarding the speed and transparency in the activity of public institutions receiving BRITE assistance.	%	Survey of private sector	Semi-annually	0	30.2	53.3	50.2**	50	60	60
Notes: * - if different from FY2014 result. ** - according to final results of the semi-annual survey, which could be different from those of the preliminary, as more non-VAT paying companies were added in the sample, *** - 7 articles are actually from FY2014, but counted for FY2015Q1											

