

KEY PRIORITIES IDENTIFIED BY THE BUSINESS COMMUNITY FOR THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

CROSS CUTTING COUNTRY'S DEVELOPMENT PRIORITIES

Improvement of Justice Sector and Rule of Law

The business community observes widespread corruption in the juridical sector where judges, prosecutors and bailiffs collaborate with state authorities and private actors:

- Insufficient judges and lack of control of prosecutors' activities;
- Selective and politicised justice, where certain court files are examined as a matter of priority while the examination of others lasts for years without sufficient justification;
- Judicial bias and favouritism towards certain parties; unbiased judicial review is critical for a trustworthy judiciary system;
- Hostile take-over attempts facilitated by state authorities and Moldovan courts;
- Lack of control of bailiffs' actions, an infringement of competencies by the bailiff is not controlled and not penalized;
- Judges are not held liable for flawed court decisions; a liability period of five years for judges in case a ECHR judgment overturns a Moldovan court decision must be extended to ten years;
- Failure to comply with commitments made to European investors under Investment Agreements;
- Reduce the weight of the STATE in business activities, referring both to state-owned corporations and to micro-management by regulatory institutions;
- Ensure independence of state organisations such as Competition Council, Prosecution Office, Environment Agency and others from the process of doing business and ensure transparent, unbiased delivery of public services;
- Need to provide consistent and sustained training to judges (especially in economic and financial market matters (banking, insurance etc), or the new concepts that are being implemented currently such as AML and Compliance, GDPR, Digitisation in business operation, IT, e-commerce, taxation issues etc) as well as a proper and improved qualification process for judges in all areas of law that are important for business, as well as in judicial assessment of economic decisions made by business decision-makers, including with respect to the manner of drafting and content of any and all court decisions;

AA/DCDFTA Implementation

- Food Safety. Priority remains to be given to legislation adjustments and issues related to food safety, in particular to the implementation of the necessary animal traceability systems, animal pest control, surveillance of establishments, CRDV laboratory management and appropriate accreditation etc.

- Insure non-discriminatory rules for domestic producers and importers in compliance with EU regulations and WTO rules. To revise domestic trade law (No. 231/2010) as to exclude any noncompliant limitations;
- Export of animal origin and composite products.
 - To launch discussions with the European Commission on obtaining the right to export dairy and processed meat products based on raw materials imported from the EU.
 - To obtain the right to export products registered as Traditional Specialties Guaranteed (pies, various pastries, învârită, sarmale, etc.).
- Import requirements for food products, subject to food safety control. To advance in approval of the amendments to the GD 938/2018 by including the risk assessment mechanism for the import of goods which provides the performance of identity and physical control over 10% of non-animal food products, based on the known risk.;
- Ensure proper implementation of the Extended Producer Responsibility Principle and of Pollution Tax Refund Mechanism by amending Law no 209/2016 on wastes and Law no 1540/1998 on the payment for environmental pollution;

Country Infrastructure Development

- Poor road infrastructure must be upgraded and high quality roads constructed that would connect primarily the EU Exports corridors to make the logistics cost even lower;
- Ensure access to quality water and sanitation systems on the entire territory of the country;
- Poor railway connections throughout the country must be upgraded in order to increase and to diversify transportation of goods and mobility of people;
- Ensure energy security, interconnection and diversification of energy sources, including by implementation of all legal procedures related to the renewable energy and organization of the relevant tender procedures as well as ensure no state interference and transparency in energy procurement;

Education Sector

- Ensure a better match between the education curricula and demands of the private sector by a more consistent involvement of the private sector in the education program/curricula development
- Ensure international evaluation and accreditation of the educational institutions and their teaching staff;
- Fight against corruption in the education institutions by introducing e-exams and encrypted systems of verifications of results;
- Streamline the state budget funding mechanism of the education institutions by focusing the funds towards education infrastructure development and increase of salaries;
- Implement dual education at all levels by strengthening co-operation between academia and the private sector; improve and streamline the internship process;
- Develop R&D Centres involving partnerships between academia and the business community/foreign donors;
- Ensure development lifelong learning programs with accreditation systems for various specialities.

Enhanced Public Sector

- Reduce red tape;
- Reduce corruption in the public institutions, especially the ones issuing permissive acts;
- Ensure ongoing training programs for public officers.

Financial Sector

Insurance sector:

- Stronger regulation and limitation of the non-banking credit institutions;
- Efforts to develop the capital markets;
- Further limitations in cash usage;
- To develop new insurance product which would diversify the market and offer new opportunities for insurance players and customers;
 - To have an audit done by internationally recognized companies that will give a reliable screening of insurers and identify of real issues of liquidity and solvency requirements

Banking:

- stronger regulation and improving the legal requirements for non banking credit institutions;
- additional effort to develop the capital markets;
- further limitations in cash usage;

Access to Finance

- Insure access to cheaper international funding for the commercial banks in the RM;
- Insure simplified procedures for credible SMEs for earmarked funding aimed at SMEs business development.

Support SMEs in accessing funding aimed at improving business operations through digitization of business processes, better equipment, innovative technologies, increase visibility and promotion, through investing in certification and quality programs, support EU Market access etc;
- Continue supporting women entrepreneurship programs;
- Create simplified taxation systems for start-up and medium compliant companies, thus enabling their development, especially after Covid 19 impact;
- Need to support the analytical and regulatory capacity of Policy Organizations, Business Support Organizations aimed at aligning Moldovan legislation to the EU Best practices in various industries

Digitization/ E-commerce Development

- Digitalization of central and local public services;

- Unilateral recognition of electronic signatures from the EU as they are recognized in the EU among member countries according to the EU eIDAS Regulation;
- Remote interaction in relations with banks (remote identification of customers, remote opening and operation of bank accounts, etc.). Ensure necessary actions and legal provisions are considered on the Financial Market and the Regulator in terms of electronic procedure of KYC.
- To support the development of alternative electronic payment systems, stimulating and capitalizing on the offers of non-bank payment operators (BPay, Tango, etc.);
- To implement the PSD2 standard (open Banking) ensuring the making of any direct payments from the bank account regardless of the issuing bank;
- To ensure the possibility for the customer to debit and supplement the bank account through various electronic instruments, either terminal payment or digital channel (remote service system);
- To set a ceiling for all the local taxes especially the ones related to e-commerce/ on-line shops;
- To improve the Law no 284/2004 on electronic commerce;
- To offer the financial support (national program/funds) to SMEs for developing ecommerce module on their web pages.

Environment and Waste Management System

- Develop an overall concept for waste management and environment protection that will consider solid/food/animal wastes' segregation, collection, processing/treatment by clear allocation of roles and responsibilities to the Local Public Authorities, business and citizens;
- Ensure proper conditions are respected in the design of the land fields, especially in rural areas. Most of the existing land fields are not properly isolated and built without respecting international rules and safety standards;
- To support investments for coping with natural hazards. An example would be offering financial support for developing necessary technologies for irrigation systems; anti hail equipment; pest control systems, etc. in this way supporting investments in innovation and technologies in agriculture and sustainable development.