SME POLICY TRENDS
OCTOBER 2022 BULLETIN
MOLDOVA
WWW.EU4BUSINESS.MD
TRENDS IN SME DEVELOPMENT IN MOLDOVA Q1 2022

Total SMEs in Moldova
59,357
Of which
2,566 export
compared with
57,247 in 2021

Government Resources supporting SMEs in 2022
€16.65 million
0.17% of GDP

Annual Change in SMEs:
- Incomes: 22%
- Employment: -0.6%
- Exports: 25%

Estimated Annualised EU support SMEs in Moldova
€7.56 million (annualised budgets available in 2022)

SMEs supported by EU
amounted to
6,206
10.5% of total in Moldova in 2021

Performance of EU supported SMEs in 2021, Annual Change:
- Incomes: +13.4%
- Employment: +16.2%
- Exports: +10.25%
The Organization for Development of Entrepreneurship (ODA) today launched the Retechnology and Energy Efficiency Program for SMEs. Under the Program, SMEs will receive non-reimbursable aid from the state worth up to 2 million lei for the technology and re-technology of businesses, and up to 1.5 million lei for the purchase of equipment that will ensure the reduction of energy consumption electricity.

SME DEVELOPMENT STRATEGY

DIGITAL TRANSFORMATION STRATEGY OF THE REPUBLIC OF MOLDOVA FOR THE YEARS 2023–2030 (STDM 2030) CONCEPT PUBLISHED 14.08.22

OBJECTIVES

- To develop a functional and secure environment for the development and widespread use of digital solutions in every sphere of life. Stimulating the development of entrepreneurial culture and competencies.
- The development of a digital society.
- Strong, innovative and competitive ICT environment.
- Secure ICT and digital environment;
- Digital public services leading to a functional and invisible digital state;
- International cooperation and promotion of digital Moldova;
- Digital economy.

TARGETS

- Reengineering and further development of electronic services
- Strengthening digital skills
- Strengthening cyber security
- Supporting the business environment, innovations.

BUDGET COMMITMENTS

TBD
OBJECTIVES

- Strategic Objective 1: Development of expanded and diversified economic opportunities for SMEs
- Strategic Objective 2: Creation of productive, innovative and competitive enterprises.

TARGETS

OS 1.1: Enabling the Business Environment for the Creation and Operation of SMEs.
- 10% increase in the EU/SBA SME Policy Index - Operating Business Environment for SMEs
- 10% increase in the EU/SBA SME Policy Index - Improving innovation policy and the green economy

OS 1.2: Consolidation of Entrepreneurial Culture and Capabilities
- Increasing employment in the field of SMEs by 5% annually
- Increasing to 25% the share of women, youth and social entrepreneurs in the total number of SMEs by the end of 2024.

OS 2.1: Improving competitiveness and access to markets
- Export of SMEs to international markets increases by 10% annually
- Regional SMEs in S3 priority sectors are able to realize export potential and increase turnover by 15% annually
- Successful results from SME participation in public procurement tenders increase by 10%

OS 2.2: Improving access to finance
- Investment growth in SMEs increases by 20% annually
- SMEs in priority sectors S3 grow in number and turnover by 10% annually

OS 2.3: Facilitating the Transfer of Technologies and Innovations
- Increasing the regional competitiveness of ICT SMEs in Moldova measured by the value and volume of sales and exports
- Most SMEs in priority sectors include green economy considerations in their business plans (Survey)

BUDGET COMMITMENTS

TBD
MAJOR INSTRUMENTS
AVAILABLE FOR SMES IN MOLDOVA

These are instruments that were active in 2021, some of which have ended already.

The following instruments to support SMEs are categorised by instrument in line with EU4Business Facility to allow comparison and coherence of EU support in Moldova:

- **Government of Moldova**
  - A2F: €16.65 million (97%)
  - BDS: €0.5 million (3%)

- **EU4Business**
  - A2F: €16.15 million (41.99%)
  - BDS: €0.5 million (3.36%)
  - BEE: €1.84 million (24.37%)
### ACCESS TO FINANCE (A2F) INSTRUMENTS

<table>
<thead>
<tr>
<th>Moldavian programmes</th>
<th>EU support</th>
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</thead>
<tbody>
<tr>
<td><strong>Capitalisation of CREDIT GUARANTEE FUND</strong> (from ODA); total value of support <strong>€0.75 million</strong>.</td>
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<tr>
<td><strong>Greening Program of Small and Medium Enterprises</strong> (by Government Decision 592/2019 from 27.11.2019) (from ODA); total value of support <strong>€2 million</strong>.</td>
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<tr>
<td><strong>THE PROGRAMME FOR ATTRACTING REMITTANCES INTO ECONOMY (PARE 1+1)</strong> (from ODA); total value of support <strong>€2.5 million</strong>.</td>
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<td><strong>Support Program for SMEs with high potential to grow and internationalization</strong> (Government Decision no. 439/2020). (from ODA); total value of support <strong>€3.5 million</strong>.</td>
<td><strong>Support Program for SMEs with high potential to grow and internationalization</strong> (Government Decision no. 439/2020). (from ODA); total value of support <strong>€0.79 million</strong>.</td>
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<tr>
<td><strong>Launch of a new support Program Retechnology program and energy efficiency of small and medium enterprises.</strong> (from ODA); total value of support <strong>€2.5 million</strong>.</td>
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</tr>
<tr>
<td><strong>Government Decision no. 348 of 01.06.2022 regarding the approval of the &quot;START for YOUNG PEOPLE: a sustainable business at your home&quot;</strong> (from ODA); total value of support <strong>€0.75 million</strong>.</td>
<td><strong>Government Decision no. 348 of 01.06.2022 regarding the approval of the &quot;START for YOUNG PEOPLE: a sustainable business at your home&quot;</strong> (from ODA); total value of support <strong>€0.15 million</strong>.</td>
</tr>
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<td><strong>National Pilot-Program „Women in Business“ (PFA)</strong> (from ODA); total value of support <strong>€2.5 million</strong>.</td>
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<td><strong>National Subsidy Program for Fairs and Exhibitions</strong> (from ODA); total value of support <strong>€0.15 million</strong>.</td>
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**Notes:**
- **A1**: Capped Loss Recovery (grant contract)
- **A3**: TA to PFIs
- **A4**: Capped Guarantees (Financial instrument)
- **A6**: SME Incentive grants (linked to loans)
- **A7**: Grants to SMEs
- **A8**: Structured Funds

**Link:** For more information on each programme and its impact, please refer to the respective links provided.
### BUSINESS DEVELOPMENT SERVICES INSTRUMENTS

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Azerbaijan programmes</th>
<th>EU support</th>
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<tr>
<td><strong>B1</strong> Consultancy Services for SMEs</td>
<td>€0.25</td>
<td><strong>50%</strong></td>
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<td><strong>B2</strong> Capacity Building of BSOs</td>
<td></td>
<td><strong>54.64%</strong></td>
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<td><strong>B3</strong> Incubators</td>
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<td><strong>B5</strong> Trade Information</td>
<td></td>
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<td><strong>B7</strong> Export Strategies</td>
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#### Azerbaijan programmes

- Creation of the State Institution ‘Entrepreneurship and Export Promotion Office’ on the basis of Export Promotion Office. In fact the Office will perform as SME support Agency. Main tasks among others are following:
  - delivering of training programs on entrepreneurship and export;
  - providing analytical information and advice for businesses;
  - free of charge export consulting for businesses;
  - support businesses in participation in trade promoting events: trade missions, conferences, business visits, business forums etc.; (from The Office is managed by the Economic and Financial Department of the Secretariat of the Cabinet of Ministers of Moldova); total value of support €0.434 million.

#### EU support

- Support SMEs in export promotion, including trade information is one of the tasks of the State Institution ‘Entrepreneurship and Export Promotion Office’. See ‘BDS_B1 Consultancy services for SMEs’ (from Economic and Financial Department of the Secretariat of the Cabinet of Ministers of Moldova)
NATIONAL INSTITUTIONS
FOR SME DEVELOPMENT
IN MOLDOVA

ODA (ORGANIZARIA DE DEZVOLTARE A ANTREPRENORIATULUI)

Established: 2022
Annual Budget: €8,000,000
Staff: 60

GOALS

1. Supporting the development of entrepreneurship, including businesses small and medium;
2. Issuance, by mandate, of state guarantees in the name and on the account to the state, in favor of creditors within state programs;
3. Administration of the financial means allocated for implementation state programs and assistance projects and the financing of expenses administrative, in accordance with the normative acts, the approved budget and the agreements of financial and technical assistance;
4. Impact assessment/analysis, monitoring and quality control the implementation of state programs and assistance projects;
5. Granting the support of the founder in the elaboration of the proposals of projects of normative acts in the fields of activity of ODA;
6. Development and presentation of progress reports on implementation state programs and assistance projects and the use of funds financial intended for the implementation of state programs and projects assistance;
7. Administration of credit guarantee schemes established by public authorities.
8. Granting support to enterprises in the fields of activity of ODA.

MAIN ACTIVITIES

- Effective implementation of state programs and projects from the fields of activity (hereinafter – assistance projects), in accordance with established objectives.
- Granting support to enterprises in the fields of activity of ODA.
- Administration of the financial and technical assistance for enterprises; issuing financial and state guarantees.
**MOLDOVAN INSTITUTE OF STANDARDIZATION**

**GOALS**

Providing access to standards to support ‘continuous efforts of users in their implementation and thus contribute to the success and innovation of the national economy.

**MAIN ACTIVITIES**

1. Establishing the rules of national standardization;
2. Elaboration, approval and realization of the national standardization program;
3. Elaboration and approval of Moldovan standards;
4. Adoption of European, international, interstate and other countries’ standards, as well as the adoption of other standardization documents as Moldovan standards;
5. Evidence of Moldovan standards;
6. Ensuring the public availability of information on Moldovan standards and other relevant publications on national standardization;
7. Establishment, registration and coordination of the activity of the technical standardization committees;
8. Elaboration and publication of the Standardization Bulletin and other publications in the field of national standardization;
9. Participation in the activity of European, international and interstate standardization;
10. The representation of the Republic of Moldova as a member in the European, international and interstate standardization organizations and the fulfillment of its obligations as a member of the corresponding organizations;
11. Provision of services in the field of standardization.

**THE AGENCY FOR INTERVENTION AND PAYMENTS IN AGRICULTURE (AIPA)**

**GOALS**

While to support agricultural producers, monitoring of funds’ distribution, quantitative and qualitative evaluation of the impact of support measures to farmers by the state.

**MAIN ACTIVITIES**

AIPA is responsible for the efficient management of the National Agricultural and Rural Development Fund, in the following areas:

1. Investments in agricultural holdings;
2. Investments in the processing and marketing of agricultural products;
3. Investments in physical infrastructure and rural services;
5. Direct payments in supporting agriculture and rural environment.
INVESTMENT AGENCY (MIEPO TILL 2016)

**Established**
2001

**Annual Budget**
€10,000,000

**Staff**
20

**GOALS**

Aim positioning Moldova on the global economic map, mandated for investment attraction, export facilitation, and tourism promotion. The Moldovan Investment Agency is a reliable cooperation partner for domestic and foreign investors in development projects that expand globally.

**MAIN ACTIVITIES**

Providing tailored services throughout the investment decision process and supporting existing investors in extending their operations. Functions of the Investment Agency:

1. Promoting the country’s image
2. Export promotion
3. Tourism promotion
4. Supporting investment activity and protecting investments
5. Strengthening and implementing economic diplomacy.

NATIONAL AGENCY FOR FOOD SAFETY

**Established**
2013

**Annual Budget**
€12,200,000

**Staff**
1,400

**GOALS**

The National Agency for Food Safety (ANSA) is the administrative authority with national activity responsible for implementing the state policy in the field of regulation and control for food safety and in the sanitary-veterinary, zootechnical, plant protection and phytosanitary quarantine, seed control, quality of primary products, food and feed.

**MAIN ACTIVITIES**

Support Activities are organized in 3 directions:

1. Sanitary-veterinary problems;
2. Phytosanitary issues and quality control;
3. Food safety issues.

ANSA is constituted by the central apparatus, in the structure of which are included directions, sections, services and sanitary-veterinary and phytosanitary control stations. As decentralized public services, in each district there are territorial subdivisions (district / municipal directorates) for food safety, with the status of legal entity.
BUSINESS ADVOCACY
MECHANISMS
IN MOLDOVA

The following mechanisms are in place to engage in dialogue between private sector and Government on business reform and advocacy in Moldova:

The Secretariat of the Economic Council under the Prime Minister

Chair
The Prime Minister, Ms. Natalia Gavrilita
Address: MD-2033, mun. Chişinău, Piaţa Marii Adunări Naţionale, 1
Phone: +373 (0) 22 250-101
E-Mail: petitii@gov.md
Web: https://gov.md/en/

Ion Lupan, head of secretariat
Address: MD-2033, mun. Chişinău, Piaţa Marii Adunări Naţionale, 1
Phone: +373 22-250-373
E-Mail: consecon@gov.md
Web: http://consecon.gov.md

OBJECTIVES

Government the expertise from the business community in the elaboration of public policies in the economic, budgetary-fiscal, trade fields, etc.;

Monitoring and evaluating the impact of public policy implementation;

Involvement of the private sector in the process of elaborating public decisions in the economic, budgetary-fiscal, trade, etc. fields.

MEETING FREQUENCY:

Minimum 6 times a year (last held 23.08.2021)