

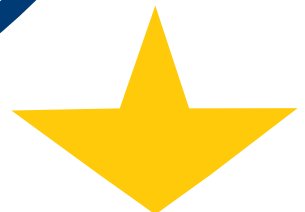


EU4Business

# SME POLICY TRENDS

NOVEMBER 2021 BULLETIN

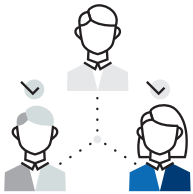
MOLDOVA



[WWW.EU4BUSINESS.MD](http://WWW.EU4BUSINESS.MD)

# TRENDS IN SME DEVELOPMENT

## IN MOLDOVA



Total SMEs in Moldova

**57,247**

of which

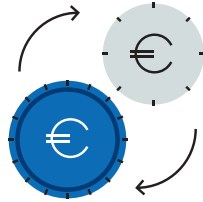
**2,138**

export

compared with total SMEs of

**55,704**

in 2020



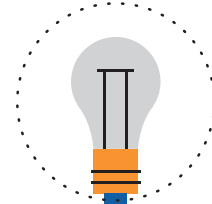
Government Resources supporting SMEs in 2021

**€12.04**

million

**0.1%**

of GDP

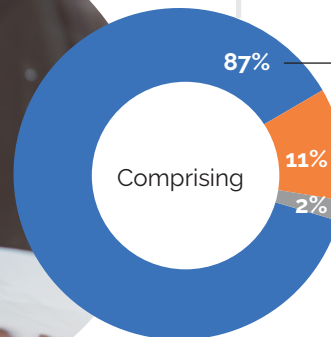


Annual Change in SMEs' (2020 vs 2019)

Incomes **-4.59%**

Employment **-3.76%**

Exports **-10.6%**



**Micro**

49,562

**Small**

6,322

**Medium**

1,363

SMEs supported by the EU

amounted to

**19,105**

**33.4%**

of total in Moldova

in 2020

Estimated EU support to SMEs in Moldova

**€15.09**

million

(annualised budgets available as of January 2021)

Performance of EU supported SMEs in 2020, Annual Change:

Incomes **-1.97%**

Employment **+26.78%**

Exports **-1.18%**

# GOVERNMENT OF MOLDOVA CURRENT SME POLICY

## LATEST POLICY DEVELOPMENTS ON MOLDAVIAN SME POLICY



Government considers actions on support for economy, citizens on pandemic period. Prime Minister Natalia Gavrilita had a meeting with the heads of the working groups of the Economic Council under the Prime Minister. The participants discussed more draft initiatives for removing constraints in the entrepreneurial activity and support of enterprises on the pandemic period. According to the PM, the cabinet will back initiatives with impact, which are to provide support to the economic environment and the society, in general. The heads of those seven working groups presented proposals in fields within their competence. Thus, they referred to legislative amendments dealing with the economy's digitalization, adjusting the national legislation to the European one as regards the personal data, improving the legal framework in the competition field. At the same time, the participants in the meeting proposed the re-conceptualizing of the duty of the control bodies, with emphasis on the prevention and consultancy of entrepreneurs in the enforcement of legislative provisions. The economic initiatives were unveiled, in order to facilitate the cross-border trade, in accordance with the Agreement of the Deep and Comprehensive Free Trade Area (DCFTA).

**Link** [Press release dated 02.09.2021](#)



# SME DEVELOPMENT STRATEGY

FOR AN INCLUSIVE ECONOMY,  
SUSTAINABLE AND DIGITAL BY 2030

[Link](#)

## OBJECTIVES

- Extensive and diversified economic opportunities for SMEs;
- Productive, innovative and competitive enterprises;
- More secure and well-paid jobs;
- Economic growth with a small ecological footprint;
- Better and more accessible physical infrastructure, public utilities and living conditions for all;
- Increased resilience to critical vulnerabilities;
- Increased institutional capacities.

## TARGETS

- Accelerated growth of public investments: if in the baseline scenario their real growth during the period 2021-2030 is 67%, then in the alternative scenario, they increase, in real terms, 3.7 times.
- Intensifying the efforts for doubling, starting with 2022, the volume of foreign direct investments attracted in the free economic zones, the IT park, the multifunctional industrial platforms, but also outside these special economic areas.
- This combined financial and investment effort of the public and private sectors will result both

## BUDGET COMMITMENTS

€350 million

# MAJOR INSTRUMENTS

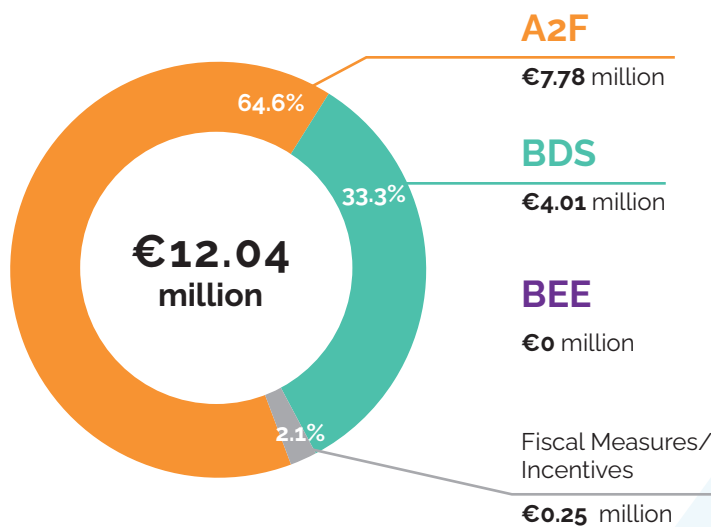
## AVAILABLE FOR SMES IN MOLDOVA

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

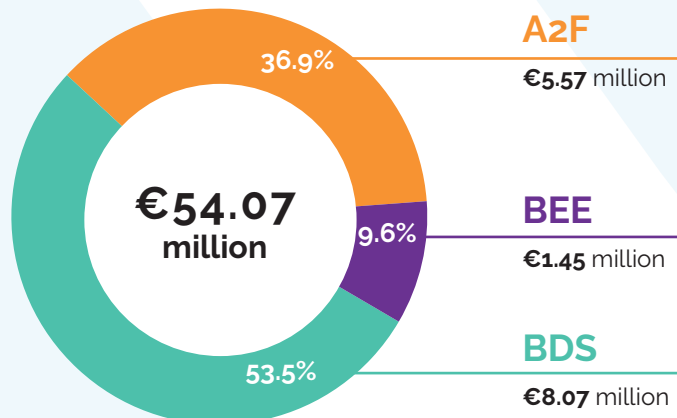
The following instruments to support SMEs are categorised by instrument in line with EU4Business Facility to allow comparison and coherence of EU support in Moldova



Government of Moldova



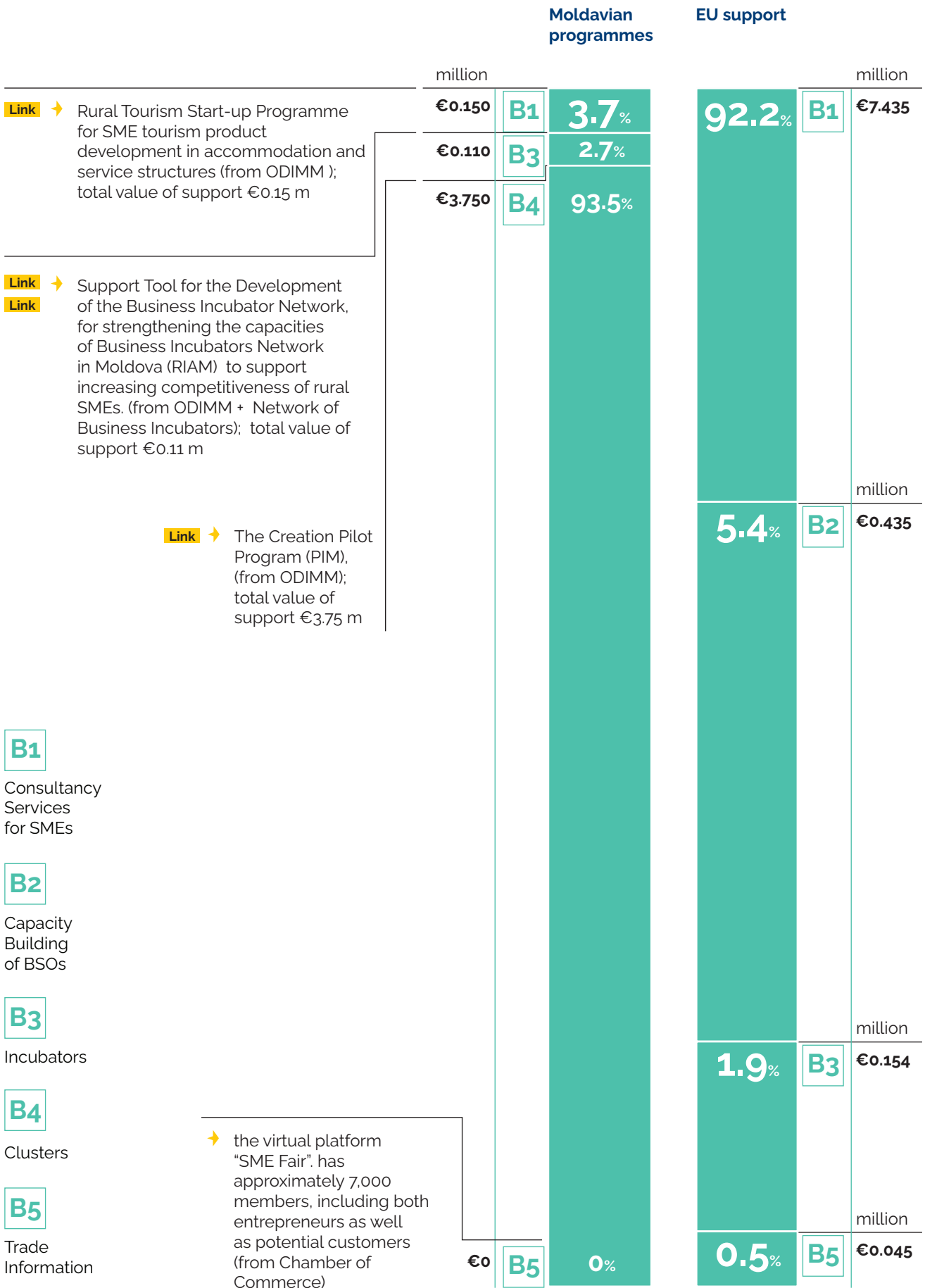
EU4Business 2020



# ACCESS TO FINANCE (A2F) INSTRUMENTS

	Moldavian programmes		EU support	
	million			million
<p><b>Link</b></p> <p>→ Guarantees exclusively for SMEs affected by the crisis pandemic. (from ODIMM); total value of support €5 m</p>	€5	<b>A4</b> 64.3%	40%	<b>A6</b> €1.171
<p><b>A4</b></p> <p>Capped Guarantees</p>				
<p><b>A6</b></p> <p>SME Incentive Grants (linked to loans)</p>				
<p><b>A7</b></p> <p>Grants to SMEs</p>			54.2%	<b>A7</b> €3.017
<p><b>A8</b></p> <p>Structured Funds</p>				
<p><b>Link</b></p> <p>→ Greening SMEs Programme (from ODIMM); total value of support €0.75 m</p>	€0.75	<b>A6</b> 9.6%		
<p><b>Link</b></p> <p>→ Support instrument on digitization for SMEs (from ODIMM); total value of support €0.53 m</p>	€2.03	<b>A7</b> 26.1%		
<p><b>Link</b></p> <p>→ Business with high potential Support Program to support growth and internationalization (Government Decision no. 439/2020). (from ODIMM); total value of support €0.75 m</p>				
<p>→ Development Program for local suppliers (from Economic Zone "Bălți"); total value of support €0.75 m info@interconectare.md</p>			6.8%	<b>A8</b> €0.382

# BUSINESS DEVELOPMENT SERVICES INSTRUMENTS



## FISCAL AND OTHER INSTRUMENTS



Second chance for companies in difficulty  
Subsidizing utility payments (electricity, water and sewerage) for companies that during the pandemic they passed the program (from ODIMM ); total value of support €0.25 m

[Link](#)



Reducing VAT from 15% to 12% for Horeca sector (hotels, restaurants, cafes) from 2021 onwards and during the state of emergency, further temporary reduction to 6% (decision from 23.04.21) (from Tax Body)

[Link](#)

# NATIONAL INSTITUTIONS FOR SME DEVELOPMENT IN MOLDOVA

## ORGANIZATION FOR SMALL AND MEDIUM ENTERPRISES SECTOR DEVELOPMENT (ODIMM)

**Established**  
2007

**Annual Budget**  
€6,750,000

**Staff**  
60

[Link](#)

### GOALS



Creating opportunities to launch and develop a successful business, especially in rural areas;



Training and amplifying culture and entrepreneurial skills;



Facilitating the access of SMEs to financial resources;



Facilitating SMEs' access to information resources;



Stimulating the public-private dialogue;



Supporting the development of business support infrastructure;

### MAIN ACTIVITIES

1. Elaboration and implementation of programs and projects for the development of the SME sector;
2. Administration of the State Credit Guarantee Fund (FGC);
3. Providing consulting and training services for managers and employees of SMEs;
4. Creation and development of a network of Business Incubators in Moldova;
5. Supporting the formation of clusters and innovative networks;
6. Supporting the development of associates and business support institutes;
7. Cooperation with similar national and international organizations.



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

**Established**  
2010

**Annual Budget**  
€550,000,000

**Staff**  
80

[Link](#)

## 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;
4. Advanced subsidies for the Start-Ups.
5. Direct payments in supporting agriculture and rural environment.

# MOLDOVA INVESTMENT AND EXPORT ORGANISATION (MIEPO)

**Established**  
2001

**Annual Budget**  
€2,200,000

**Staff**  
20

[Link](#)

## GOALS



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.

# 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

[Link](#)

### 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](mailto:petitii@gov.md)  
Web: <https://gov.md/en/>

## 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:

- ▶ Quarterly (last held Minimum 6 times a year (last held 09.09.2021) d 07.05.2021)

## SECRETARIAT:

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](mailto:consecon@gov.md)  
Web: <http://consecon.gov.md>