



# Regulatory Impact Assessment


an essential instrument of the  
Reform of Business Regulations in  
Moldova

Paving the way to a better business  
environment and increased national  
competitiveness



# RIA was envisioned part of a regulatory Reform Strategy

- Offering better business environment is a key success factor in making a country attractive for investment
- GoM realized the need to reform as a result of the findings of Cost of Doing Business, BEEPS and ICA



# A two stage Regulatory Guillotine preceded the introduction of RIA

- **Law #424 on revision and optimization of regulatory framework for business activity**
  - ✓ Paved way for Guillotine -1
- **GoM Decision #1030 on the Registry of Official acts – Finalized the Guillotine-1**
  - ✓ Instituted an online registry of regulatory acts after a review of 1130 regulations
- **Law on the Basic Principles of Business Regulations,**
  - ✓ Introduced 5 principles of good regulation
  - ✓ Paved the way for second stage Guillotine
  - ✓ Institutionalized RIA





# Implementation Challenges were significant

## **Guillotine -1**

AA Ensuring positive security of the  
online registry of business regulation

## **Guillotine -2**

- 💣 Political pressure for tight deadlines
- 💣 Inclusion of legislation stemming  
from independent regulators including  
National Bank of Moldova.



# Second stage Guillotine attained important outcomes

- ✓ Cut for fee services rendered by public authorities
- ✓ Streamlined economic and financial inspections
- ✓ Simplified licensing procedures
- ✓ RIA capacities being built at ministry level
- ✓ RIA made part of the curriculum of Public Administration Academy



## **Second stage Guillotine shortcomings**

- The financial sector was excluded from the auspices of the law #235 on Basic Principles of Business Regulation
- The ICT legislation was left over for a later stage review



# Institutional setup for Regulatory Reform and RIA

- Interministerial group on business regulation *superseded by*
- National Working Group on Business Regulation
- RIA Secretariat under MoET
- State Commission for Business Regulation
- RIA Units in ministries and in the Parliament






# Donor Support for Business Regulations Reforms

- WB helped designing a comprehensive regulatory review – Regulatory Guillotine.
- USAID/BizPro helped implementing the Regulatory Guillotine-1 eliminating 12% of the unnecessary business regulations.
- WB is financing Competitiveness Enhancement Project helped implementing Guillotine-2, streamlining 88 laws.





# Encouraging results are present to date

- ✓ Management time affected to regulatory compliance dropped from 18 to 16%
- ✓ Increased investment
- ✓ One stop shops for business authorization are in place countrywide
- ✓ Silence is consent for business licensing



# Some challenges remain

Raising the profile of RIA and fully absorbing it into public administration;

Developing Special Initiatives for areas covered by independent regulators based while applying same principles of good regulations.



# Lessons Learned

- ☺ High level political support needed
- ☹ Broad involvement of the cabinet of ministers and assuming responsibility
- ☺ Building RIA into national education system
- ☹ Sufficient resource allocations
- ☺ Particular attention to the club of *independent* regulators



# Competitiveness agenda prioritized high in the National Development Plan

- National Development Plan is built around the Competitiveness goal
- Further simplification of business regulations is a key pillar



Thank you for your attention

Q & A

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