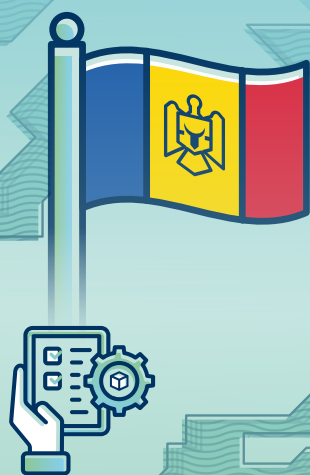


Study on Regulatory and Procedural Barriers to Trade

Assessment of Trade Facilitation Framework

Republic of Moldova



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**Assessment of
Trade Facilitation
Framework**

—
**Republic
of Moldova**



**United
Nations**

Geneva, 2023

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FOREWORD

Trade facilitation involves the simplification, modernization and harmonization of often unseen procedures, which are crucial to ensure the seamless movement of goods across borders, contributing to economic growth, fostering prosperity, and improving the quality of life for citizens.

Trade facilitation can also have positive, sustainable development spill-over effects. By leveraging innovative and digital solutions, for example, it can help speed up the green, circular and digital transitions – all identified as priority topics by UNECE member States in their 69th and 70th Commission sessions. These gains, however, are not automatic – the right legal and institutional frameworks need to be in place.

Over recent years, the landlocked Republic of Moldova has made impressive progress in improving its trade facilitation performance. This includes the establishment of comprehensive legal and regulatory frameworks for the import and export of goods, for transit operations, preferential rules of origin, Authorized Economic Operator programs, and related appeal and review procedures.

The Republic of Moldova's efforts have yielded results, reducing administrative red tape, optimizing the business environment and improving the ease of doing business. The impact of the country's reform agenda is also mirrored in the country's implementation rate of the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA) (77.3 per cent), which exceeds the global average.

Despite the impressive progress achieved, much remains to be done. Capacity-building and technical assistance will be needed to support the country's next steps. Concrete areas where support is required include, among others, the release and clearance of goods and formalities connected with importation, exportation and transit.

This UNECE Study, developed at the request of the Government of the Republic of Moldova, documents recent achievements and remaining gaps in trade facilitation. The Study also offers recommendations that can serve as a strategic blueprint for future efforts, including further implementation of TFA measures. The Study was discussed at the 8th session of the UNECE Steering Committee on Trade Capacity and Standards in June 2023 with country representatives, international experts and the development community.

I trust that the Government, in partnership with the development community, will take bold action to continue this journey. UNECE's Economic Cooperation and Trade Division stands ready to support the country, including through the implementation of UNECE standards, to build a trade facilitation framework that serves the interests of the Republic of Moldova and contributes to the United Nations Sustainable Development Goals.

Tatiana Molcean

United Nations Under-Secretary-General

Executive Secretary

United Nations Economic Commission for Europe



PREFACE

Since 2010, UNECE has been undertaking demand-driven national Studies on Regulatory and Procedural Barriers to Trade (RPBT) to help countries achieve greater regional and global economic integration, to inform donors about where assistance might be needed, and to support policy discussions within the UNECE Steering Committee on Trade Capacity and Standards and its subsidiary bodies.

Responding to the capacity-building needs indicated by the Republic of Moldova during the 7th session of the Steering Committee on Trade Capacity and Standards in 2022, this RPBT Study specifically addresses trade facilitation conditions affecting import and export procedures. The Study was prepared by the UNECE secretariat in close consultation with the Government, drawing on a comprehensive assessment of the Republic of Moldova's trade facilitation environment, including relevant legal and regulatory frameworks.

This Study provides an overview of the current state of play with respect to the implementation of the WTO TFA, remaining commitments, and other barriers. It describes capacity-building needs and presents recommendations for the way forward. It also provides a detailed overview of existing UNECE tools, which can support further reforms. The Study also reviews additional trade facilitation measures identified during the preparation of the 2023 edition of the UN Global Digital and Sustainable Trade Facilitation Survey.

Significant progress has been made by the Republic of Moldova, in particular with regard to institutional arrangements, cooperation and transparency. Most of the remaining capacity-building needs are linked to the formalities connected with importation, exportation and transit, e.g. further enhancing the Single Window system. UNECE has substantial expertise in these domains, accumulated over years of consensus building and advisory work by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), and stands ready to support the Republic of Moldova with the implementation of related recommendations.

This Study builds on previous work by UNECE in the Republic of Moldova, including in the framework of the 2017 RPBT Study, which provided tailor-made recommendations for improving the country's trade-related regulatory environment. These recommendations created a factual, solid background for the 2017 TFA National Action Plan and the UN-Moldova Partnership Framework for 2018–2022. Subsequently, as part of the UN's COVID-19 response, UNECE prepared dedicated RPBT Studies on the impact of COVID-19 on trade and structural transformation on Micro, Small and Medium Enterprises (MSMEs) (2021) and on female-owned MSMEs (2022).

ACKNOWLEDGEMENTS

This RPBT Study was developed under the auspices of the UNECE Steering Committee on Trade Capacity and Standards in the framework of the UNECE Regular Programme of Technical Cooperation (RPTC).

The publication was written under the leadership of Elisabeth Türk, Director of the UNECE Economic Cooperation and Trade Division (ECTD), and the supervision and guidance of Ariel Ivanier, Chief (Officer in Charge) of the ECTD Market Access Section (MAS). The Study was written by Nadezhda Sporysheva (Economic Affairs Officer, ECTD MAS) and Yuliia Kucheriava (Consultant, ECTD MAS) with substantive inputs by consultants Daniela Stratulativ and Ekaterina Bornukova. The Study benefitted from the peer review by colleagues of the UNECE Trade Facilitation Section: Kamola Khusnutdinova, Maria Teresa Pisani, Alla Shklykova and Jie Wei. The document was edited by Karina van der Linden with the support of Lara Ottendorfer and Gereon Mewes. Thierry Alran created the graphic design and infographics for this publication.

The continuous engagement of the Economic Council to the Prime Minister, the lead national partner for this review, as well as the team of the International Economic Cooperation Directorate from the Ministry of Economic Development and Digitalization of the Republic of Moldova, has been essential throughout the process. Special thanks go to Diana Levcenco, National Coordinator, National Trade Facilitation Committee (TFC) and Representative of Economic Council to the Prime Minister. The valuable support from the Permanent Mission of the Republic of Moldova to the United Nations Office, WTO and other international organizations in Geneva is also acknowledged, in particular the National Delegate to the WTO and other organizations, Elena Cravet. The UN Resident Coordinator Office of the Republic of Moldova provided valuable support at various stages.

UNECE extends its sincere thanks and appreciation to all discussants of the 8th session of the UNECE Steering Committee on 26 June 2023 dedicated to this Study: Rodrigo Polanco, Academic Coordinator, World Trade Institute (Bern, Switzerland), Mariam Soumaré, Community Engagement Specialist, World Economic Forum, and Suvra Chakraborty, Director, AMC Overseas FZE.

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ABBREVIATIONS

AA	Association Agreement
AEO	Authorized Economic Operator
ANSA	National Food Safety Agency (Moldova)
ASYCUDA	Automated System for Customs Data
AW	ASYCUDA World (customs management software)
CEFTA	Central European Free Trade Agreement
CIS	Commonwealth of Independent States
DCFTA	Deep and Comprehensive Free Trade Area
ECTD	Economic Cooperation and Trade Division
EFTA	European Free Trade Association
EBRD	European Bank for Reconstruction and Development
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FTA	Free trade agreement
GDP	Gross Domestic Product
GPS	Global positioning system
GSP	Generalized System of Preferences
ICT	Information and communication technology
IT	Information technology
IMF	International Monetary Fund
ITC	International Trade Centre
LDC	Least developed countries
LLDC	Landlocked developing countries
MSME	Micro, small and medium-sized enterprise
NTFC	National Trade Facilitation Committee
OECD	Organisation for Economic Co-operation and Development
PEM	Pan-Euro-Mediterranean (Convention)
RoO	Rules of origin
SME	Small and medium-sized enterprise
SPS	Sanitary and phytosanitary
SDTRM	Strategy for Digital Transformation of the Republic of Moldova
TACB	Technical Assistance and Capacity-building
TFA	Trade Facilitation Agreement
TIR	Transport International Routier
UCR	Unique Consignment Reference
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
WCO	World Customs Organization
WTO	World Trade Organization

INTRODUCTION

The Republic of Moldova is a small, landlocked upper-middle-income country. The Moldovan economy has experienced multiple shocks, including, most recently, the COVID-19 pandemic and the effects of geopolitical tensions in the region. Despite the economic volatility and disrupted trade flows, the country is undertaking numerous structural reforms in line with its international commitments and national development strategies. These reforms include overarching good governance reforms aimed at improving the investment climate, as well as targeted efforts to enable the green and digital transformation in the country. All these efforts are critical to facilitating and further enhancing the trade potential of the Republic of Moldova.

Trade liberalization and openness represent key objectives of the country's trade and economic policy agenda. The country's policies are in line with the main tenets of the multilateral trading system, such as open trade and non-discrimination. The Republic of Moldova has been a World Trade Organization (WTO) Member since 26 July 2001. The Republic of Moldova participates in discussions and initiatives of the WTO, also on new topics. The country is a party to two plurilateral WTO agreements – the Information Technology Agreement and the Agreement on Government Procurement. It ratified the WTO Trade Facilitation Agreement (TFA) on 24 June 2016 and has had a functioning National Trade Facilitation Committee (NTFC) since 2017.

The Government has also made continuous efforts to expand market access and deepen trade relations through regional integration. It has 16 free trade agreements (FTAs) in force encompassing 46 partners including Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, the European Union (EU), Georgia, Kazakhstan, Kyrgyzstan, North Macedonia, Montenegro, the Russian Federation, Serbia, Tajikistan, Türkiye, Turkmenistan, Ukraine, the United Kingdom and Uzbekistan. Most recently, the Republic of Moldova signed the FTA with the European Free Trade Association (EFTA)¹ on 27 June 2023.²

Improving trade facilitation conditions is particularly relevant for landlocked economies like the Republic of Moldova, which face higher transport costs for their commerce. Following the ratification of the WTO TFA by the Republic of Moldova, the country has achieved significant progress in the WTO TFA implementation. As of March 2023, the implementation rate of the WTO TFA commitments of the Republic of Moldova stands at 77.3 per cent.³ The country has implemented WTO TFA Category A and B commitments, and it is in the process of implementing the Category C commitments, which include 54 WTO TFA provisions related to five WTO TFA articles (Articles 1, 5, 7, 10 and 11) and seven measures. The due date for implementing the Category C commitments is set at 31 December 2025. These commitments relate to (a) publication and availability of information (Article 1); (b) other measures to enhance impartiality, non-discrimination and transparency (Article 5); (c) release and clearance of goods (Article 7); (d) formalities connected with importation, exportation and transit (Article 10); and (e) freedom of transit (Article 11).

In 2022, the export of goods was 4,335,1 million US dollars, an increase of 37.9 per cent, compared to 2021. Following the receipt of the EU candidate status in 2022, exports to the EU this year totalled 2,540,4 million US dollars, which constitutes 58.6 per cent of total exports (32.3 per cent increase in comparison to 2021).⁴

This study provides information regarding the current state of play of the trade facilitation framework and the remaining outstanding Category C commitments, including the current standing with respect to the implementation status of specific measures, further capacity needs, and recommendations for the way forward. It also specifies which recommendations refer to mandatory commitments, best endeavour commitments, or commitments of a mixed nature. The study suggests various means for consideration to improve further trade facilitation conditions in the country, including those based on existing best practice experiences. The final means for implementation are to be chosen by the Republic of Moldova, depending on existing capacities and strategic priorities.

In addition to the recommendations related to the country's commitments under the WTO TFA, this study also touches upon additional trade facilitation measures, which are, per se, outside the scope of the WTO TFA but closely linked to the Agreement's implementation. These include trade facilitation measures to support small and medium-sized enterprises (SMEs), women traders and trade finance facilitation measures. The assessment of such measures is covered by the United Nations Global Digital and Sustainable Trade Facilitation Survey as they are covered are critical to a sustainable, inclusive, and resilient recovery in line with the United Nations 2030 Agenda.

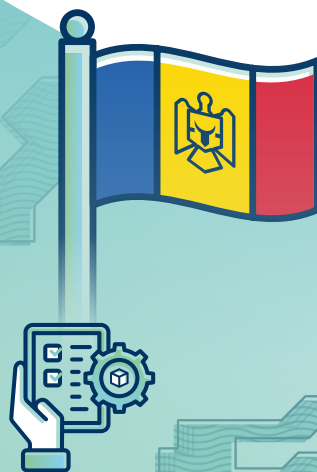
A number of UNECE tools, such as the guidelines and standards of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT)⁵, as well as targeted, needs-based technical assistance and capacity-building can help accelerate the implementation of the remaining Category C commitments as well as broader trade facilitation measures and support the implementation of additional trade facilitation measures.

Notes

- ¹ EFTA comprises Switzerland, Norway, Iceland and Liechtenstein.
- ² See <https://www.efta.int/Free-Trade/news/EFTA-and-Moldova-sign-Free-Trade-Agreement-536291>.
- ³ For additional information on the progress on implementation commitments of the Republic of Moldova, see <https://www.tfadatabase.org/en>.
- ⁴ Available from the National Bureau of Statistics of the Republic of Moldova website (<https://statistica.gov.md/en>).
- ⁵ See Box 1 as well as references in other parts of this study.

Chapter 1

COUNTRY OVERVIEW: ECONOMIC STRUCTURE AND RECENT REFORMS



Key messages

- The Republic of Moldova is a landlocked upper-middle-income country. The Moldovan economy has experienced multiple shocks, including, most recently, the COVID-19 pandemic and the effects of geopolitical tensions in the region.
 - Trade liberalization and openness represent key objectives of the Government's trade and economic policy agenda.
 - Digital policies are being implemented to enable the country to increase participation in regional and global value chains and to contribute to inclusive, sustainable economic growth.
 - Significant progress has been made toward the green transition, but more could be done.
 - Entrepreneurship and support for SMEs are high on the policy agenda of the Republic of Moldova.
 - The authorities are making efforts to advance gender equality, specifically regarding the participation of women.
-

This chapter provides an overview of the economic structure and composition of trade in the Republic of Moldova. It also maps the recent reforms in the areas of digital transformation and green transition, both of relevance to the trade facilitation agenda and in light of decisions taken at the 70th Commission session in April 2023 in the context of the cross-cutting topic of “Green and digital transformations for sustainable development in the ECE region.”

1.1 Economic structure

The Republic of Moldova is a small, landlocked upper-middle-income country¹ located on the Eastern frontier of the EU between Romania and Ukraine. The population of Moldova is 2.6 million people.

After gaining its independence in 1991, the Republic of Moldova experienced a period of transition from a planned economy to a market economy, which resulted in high economic growth rates, which averaged 5.1 per cent over 2000 – 2010. While since 2012, the GDP growth rates have slowed down (averaging 3.5 per cent per year), the GDP per capita amounted to USD 5,230,6 in 2021 (a double increase in comparison to 2015).² The country's economy is dominated by the services sector with fast development of the information and communications technology (ICT) sector. Agriculture (oil seeds, fruit, cereals), followed by the textiles and metallurgy industries, also play an important role, especially in generating employment.

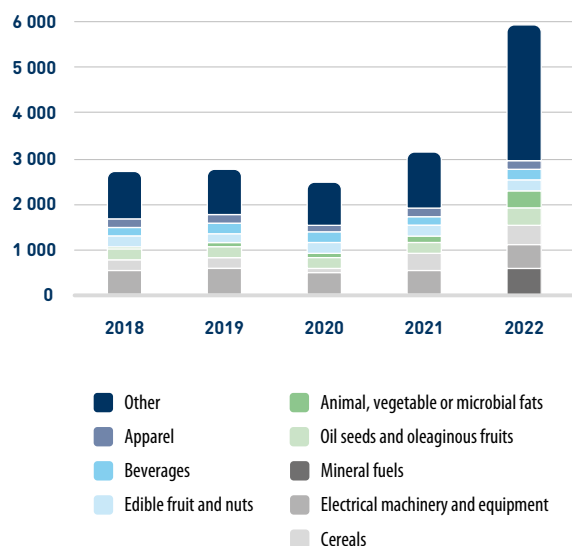
According to the IMF,³ growth is expected to slowly rebound to 2.6 per cent in 2023 although inflationary pressures are expected to persist throughout the year above targets set by the National Bank of Moldova.

1.2 Composition of trade and destination markets

International trade plays an important role for the Republic of Moldova. It serves as the driver of development and growth for the country. Moldova is located between two large markets, the EU and the Russian Federation.

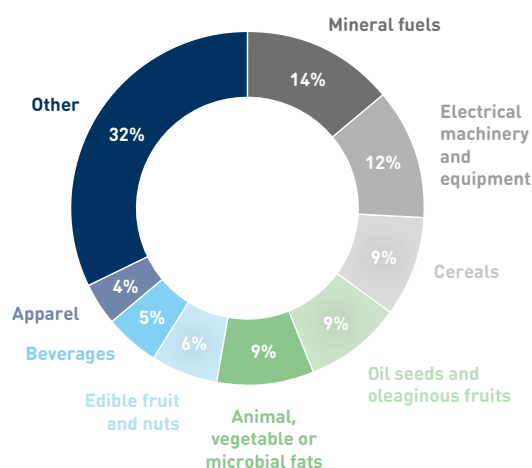
In the last five years, the country's structure of exports has been dominated by electrical machinery and equipment, followed by agricultural products (e.g., cereals, oil seeds and oleaginous fruits). The year 2022 saw a massive surge in exports of mineral fuels, which comprised 14 per cent of total exports in terms of value (Figure 1 and Figure 2).

Figure 1 • Major export categories, USD thousands (2018–2022)



Source: UNECE ECTD based on ITC Trade Map.

Figure 2 • Main exports (2022)



Source: UNECE ECTD based on ITC Trade Map.

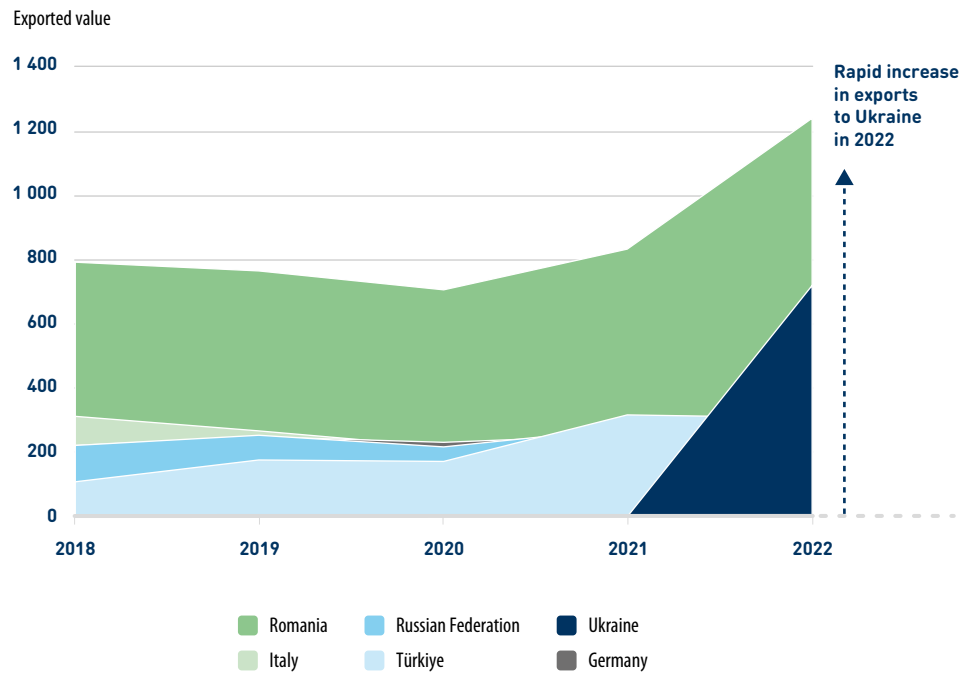
The destination map of Moldovan export (Figures 3 and 4) is diverse and has undergone significant transformation over time. While historically, the Russian Federation was a significant destination for its exports (up to 40 per cent in year 2000), its share has been declining.⁴ On the other hand, the share of trade with the EU countries is increasing (especially with Germany and Italy), partly influenced by the signing of the Deep and Comprehensive Free Trade Areas (DCFTA) agreement.⁵

The share of exports to Romania has also been steadily growing, and in 2022, Romania was the leading destination for Moldovan exports (29 per cent), followed by Ukraine (17 per cent) and Italy (8 per cent). Data also shows an almost ten-fold increase in exports of mineral fuels to Ukraine in 2022.

On the import side, the Republic of Moldova primarily imports mineral fuels, electrical machinery and equipment, vehicles other than railway and plastics, which have been the main categories since 2018 (Figures 5 and 6). The year 2022 saw a 23.4 per cent year-to-year increase in mineral fuel imports.

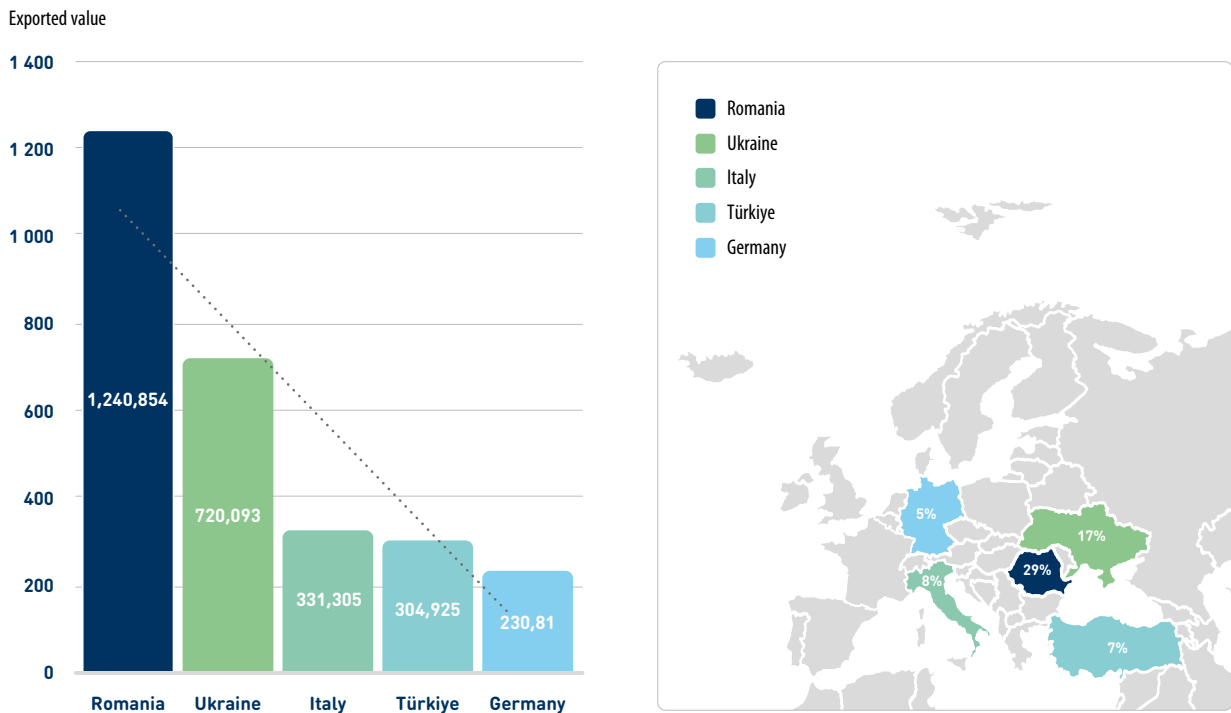
Over the last five years, imports grew more rapidly than exports, from USD 5.7 billion in 2018 to USD 9.2 billion in 2022 resulting in the sustained current account deficit, which comprised 11.6 per cent of GDP in 2022.⁶

Figure 3 • Major export destination markets and exported value, USD thousands (2018–2022)



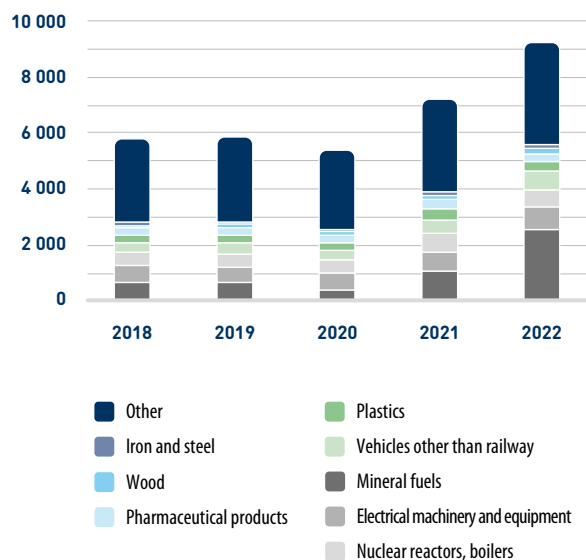
Source: UNECE ECTD based on ITC Trade Map.

Figure 4 • Major export destination markets and exported value, USD thousands (2022)



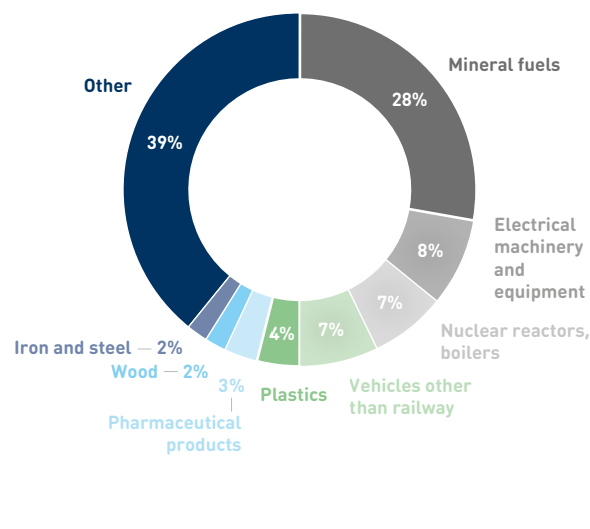
Source: UNECE ECTD based on ITC Trade Map.

Figure 5 • Major import categories, USD thousands (2018–2022)



Source: UNECE ECTD based on ITC Trade Map.

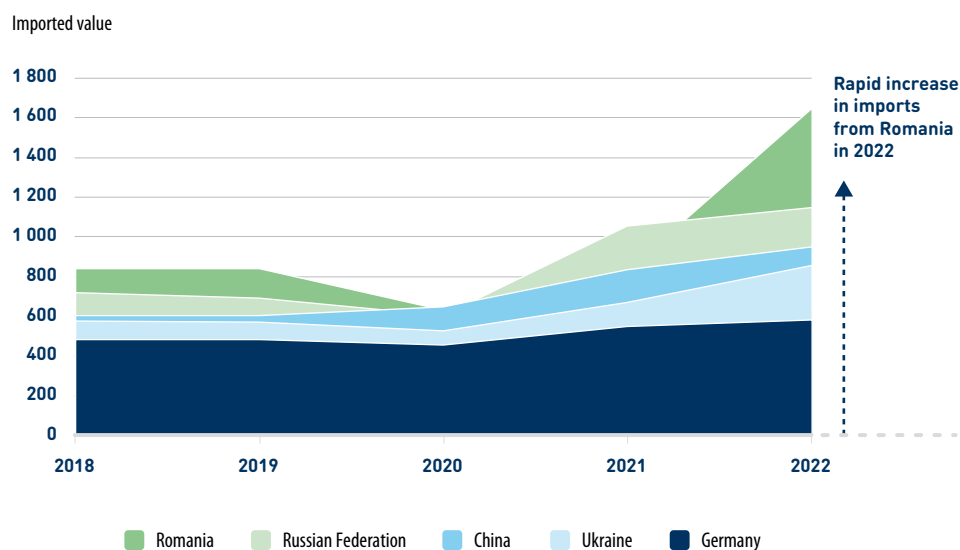
Figure 6 • Main exports (2022)



Source: UNECE ECTD based on ITC Trade Map.

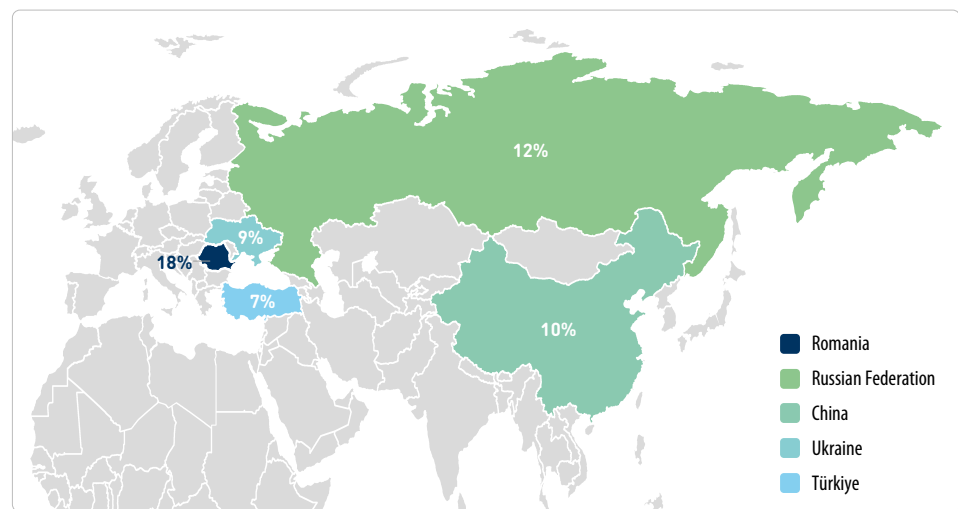
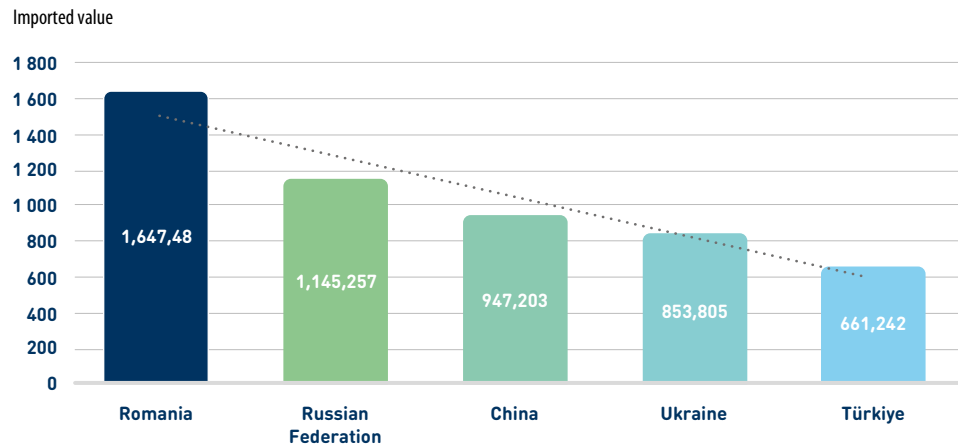
Since 2018, Romania, the Russian Federation, China, Ukraine and Germany have been the largest sources of imports (Figure 7). In 2022, a rapid increase in imports from Romania made it the country's main trading partner accounting for 18 per cent of all imports per value. This was followed by the Russian Federation (12 per cent) and China (10 per cent) (Figure 8).

Figure 7 • Major import destination markets and imported value, USD thousands (2018–2022)



Source: UNECE ECTD based on ITC Trade Map.

Figure 8 • Major import destination markets and imported value, USD thousands (2022)



Source: UNECE ECTD based on ITC Trade Map.

The trade in services is increasing its role in the Moldovan economy, with service exports bringing in, on average, USD 1.3-1.5 billion in revenues since 2020. In 2022, this figure stood at a staggering USD 2.27 billion, contributing 23.5 per cent to the country's GDP.⁷ The most significant contributors to the country's export revenues have been ICT, tourism and transportation. On the imports side, transportation and tourism are the biggest categories within commercial service imports.⁸

1.3 Digital transformation

1.3.1 The Strategy for Digital Transformation of the Republic of Moldova 2023-2030 and the Digital Economy Roadmap

In January 2023, the draft version of the 2023-2030 Strategy for Digital Transformation of the Republic of Moldova (SDTRM) was developed.⁹ After approval, the strategy will be revised annually to ensure its relevance and to keep up with the constantly evolving technological landscape.¹⁰

The strategic vision underpinning the document concerns the transition towards an innovative and inclusive digital society with a modern infrastructure, digitally educated people, a pro-digital government and a business community that makes the most of digital opportunities. The strategy includes several key objectives: a digital society, a competitive ICT environment, a resilient digital economy, a digital State and a secure digital environment for all. The strategy targets all the key sectors and cross-sectoral issues such as health, education, agriculture, the economy (including trade), entrepreneurship, public administration and cybersecurity.

The draft SDTRM was prepared by a team of EU4Digital Facility experts alongside a wide range of stakeholders, international donors, associations and public and private institutions, and with the support of the United Nations Development Programme (UNDP). The draft's content is in line with EU standards and regulations, as well as global best practices.

The Roadmap for the Digitalization of the Economy and E-commerce (Roadmap) is another important document that underpins the digital transformation agenda of the Republic of Moldova.¹¹ It was developed in 2020 by the Ministry of Economy and the Economic Council and is supported by the European Bank for Reconstruction and Development (EBRD) and other partners. It promotes government-to-business (G2B) online interaction, digitalization of the economy and development of e-commerce infrastructure. The Roadmap is updated annually (last time in February 2023). It is based on the recommendations of business associations and on research conducted with the support of development partners.

The Roadmap contemplates the adoption of several digital legislative packages. In November 2021, the Moldovan Parliament approved Digital Legislative Package 1.0, which enables remote business registration and administration, the use of electronic signatures in employment relationships and remote contracting with public utilities. One of the key legislative changes is the unilateral recognition of qualified advanced electronic signatures issued in EU countries and the possibility for investors and the diaspora to interact remotely with the Moldovan authorities. Further legislative amendments and initiatives (packages 2.0 and 3.0) are under development. Both packages will address a series of constraints on business development and e-commerce.

The Roadmap provides for specific actions aimed at the following:

- (a)** Creating a universal technological platform for the remote identification of customers
- (b)** Revising the procedure for granting personal codes to foreign investors
- (c)** Providing digital notary services for entrepreneurs, diaspora, and foreign investors
- (d)** Clarifying legal aspects of remote working
- (e)** Supporting the development of e-commerce logistics infrastructure
- (f)** Stimulating the electronic payment services market
- (g)** Promoting a digital education and financial inclusion programme
- (h)** Promoting electronic invoices and electronic tax receipts.

The objectives of the Roadmap for the year 2023 include establishing remote interaction with authorities and promoting digital services for companies¹²; developing e-commerce infrastructure; and facilitating fiscal and customs procedures for the development of the digital economy, e-commerce and e-exports. Each of these activities are closely linked to the country's trade facilitation agenda.

Box 1 Digitalization and UN/CEFACT tools

The digitalization of trade facilitation and the quest for increased global competitiveness in support of sustainable development creates a dynamic and rapidly changing environment for trade facilitation. Adhering to international best practices for the simplification, harmonization and standardization of regulatory practices and digitalization, including cross-border exchange of electronic trade data, can help countries address challenges arising from this dynamic. International instruments, including recommendations and standards such as those developed by the UNECE-serviced UN/CEFACT, can facilitate this process.

During the past four decades, UN/CEFACT has developed about 50 trade facilitation recommendations and hundreds of e-business standards, technical specifications and guidance materials on electronic exchange of trade data. These instruments reflect best practices in trade procedures and data and documentary requirements. They are continuously reviewed, adopted by UNECE member States, and available to the global trade facilitation community free of charge. UN/CEFACT instruments could be an important point of reference for the dynamic journey towards digital and sustainable trade facilitation. Additional info on UN/CEFACT instruments is provided in relevant parts of this study below.

Source: UNECE ECTD.

1.3.2 E-commerce and the development of the national information technology industry

The Moldovan e-commerce sector has expanded as Internet access became more widely available. The COVID-19 pandemic has underscored the need to enhance online payments and online banking systems. Most companies have their own websites. A growing number of local businesses also use social media for marketing purposes. Official statistics reported that 525 Moldovan companies have e-stores. Internet banking is becoming increasingly popular. Access to wired Internet and mobile Internet is increasing, and some local operators are considering upgrading their infrastructure to 5G. Most large Moldovan banks offer online payment integration methods. Furthermore, the regional e-commerce platform “ecommerce4all.eu”¹³ provides the Republic of Moldova with access to information and data on key aspects of e-commerce for all Central European Free Trade Agreement (CEFTA) markets (Albania, Bosnia and Herzegovina, North Macedonia, Moldova, Montenegro, Serbia and Kosovo).

Most recently, the government adopted the Law on e-Commerce No 60/2023 on 17 March 2023, which was adjusted to comply with EU practices with the primary objective to remove the constraints for e-commerce in the Republic of Moldova through the following measures:

- (a)** Updating the legislation on domestic trade and supplementing it with provisions on e-commerce (concepts, notification, definitions of commercial units without commercial areas, etc.)
- (b)** Updating the legislation on domestic information society services, including e-commerce
- (c)** Completing the legislation on consumer protection in e-commerce
- (d)** Applying equal discounts for the use of different payment instruments and non-discrimination of bank card payments
- (e)** Removing constraints on the protection of personal data by transnational commercial networks
- (f)** Clarifying the legal regime for online sales of alcoholic products and precious metals.¹⁴

The Republic of Moldova also supports the development of the national information technology (IT) industry. The main initiative dedicated to this area of work is Law No. 77/2016 on IT parks, which entered into force on 1 January 2018 and the Government Decision No. 1144/20.12.2017 on the creation and administration of IT parks. The law offers a special tax regime for companies registered in the park, which includes a single tax of seven per cent that includes all taxes and fees paid by an IT company. This regime also offers simplified tax administration, reduced tax burden and virtual presence of residents, as well as many eligible IT and related activities (software development, IT services, digital graphics and design, IT research and development, and IT educational projects). The special tax regime has enabled the unprecedented development of the IT industry and has had a positive spill-over effect on other sectors of the economy, including trade, which is particularly relevant for the implementation and maintenance of the automated programmes and systems facilitating trade flows (e.g. ASYCUDA and the Single Window system). Projects and tools for the automation and digitalization of the Republic of Moldova's Customs Services include, inter alia, electronic certificates of preferential origin, an eCommerce package with the postal service of the Republic of Moldova, and increasing the efficiency of customs operations favouring paperless trade. The New Computerised Transit System (NCTS) supports ongoing activities like the Customs Decisions Management System and the Trader Dashboard.¹⁵

To achieve meaningful digital transformation in today's world, success relies not only on adopting modern artificial intelligence technologies but also on addressing the new competitive dynamics and emerging and persistent challenges. This means that countries must build and enhance digital ecosystems to tackle some of the world's massive problems, such as environmental degradation and climate change. The Republic of Moldova is strongly committed to ensuring that both major reforms in the context of the digital transformation and green transition are taking place.

1.4 Green transition

Economic growth in the Republic of Moldova has been moving away from the use of natural resources since 2010, with positive trends being observed in the areas of energy efficiency, water conservation and waste management.¹⁶ However, carbon-intense production is a challenge to sustainable economic development, and this calls for a strategic approach from the government.

In 2022, the Republic of Moldova ranked 84th out of 180 on the Environmental Performance Index, which combines around 40 indicators to rank countries on climate change performance, environmental health and ecosystem vitality.¹⁷ At the same time, the Global Green Economy Index, which measures countries' performance on four major dimensions – climate change, sector decarbonization, environmental and social governance investment and environmental health – ranked Moldova last among all European countries.¹⁸ These results highlight the need for concerted efforts in promoting and facilitating the green transition, which is one of the most immediate priorities for the Republic of Moldova today.

The National Development Strategy "Moldova 2030"¹⁹ outlines a strategic vision for the next decade, directing the development of the country and society towards sustainable progress that prioritizes inclusion and leaves no one behind. To ensure this, the strategy

suggests that economic and human activity must be conducted harmoniously with climate change adaptation and mitigation actions, as well as pollution reduction, sustainable management of natural resources, and development of ecosystem services. Priority actions include improving water and air quality, increasing wooded and protected areas, and integrating environmental protection and sustainable development principles into all sectors of the national economy. Likewise, the current Environmental Strategy of Moldova 2014 – 2023 seeks to create an efficient environmental management system, guaranteeing the right of the population to a clean, healthy and sustainable environment in harmony with economic development and social welfare. Among other goals, the strategy targets a 30 per cent reduction in landfill waste and a 20 per cent increase in recycling rates in 2023.

The Republic of Moldova currently benefits from several EU assistance programmes such as the “European Union for Environment” (EU4Environment) Action programme²⁰ and the EBRD’s Green Economy Financing Facility programme.²¹ The EU4Environment Action is aimed at providing support for environmental initiatives, identifying and exploiting opportunities for greener growth, and creating structures to manage environmental risks and impacts. It is implemented by several United Nations agencies and the OECD. The focus of the EBRD’s Green Economy Financing Facility programme is on offering pre-approved financing for technologies listed in the EBRD Green Technology Selector²² and providing free technical consultancy to help identify and quantify investment opportunities.

1.5 Entrepreneurship: programmes and policies to support SMEs

In November 2022, the Parliament of the Republic of Moldova approved the national development strategy “European Moldova 2030”, which indicates the country’s development directions and adapts its international commitments to the national context. The strategy aims to support entrepreneurship and growth of SMEs, including through access to financial services.²³

The Republic of Moldova has broadly aligned its SME policy with the guidelines set by the European Union Small Business Act for Europe. The Ministry of Economy is responsible for the SME policy and supervises the overall implementation of the strategy, while the Organization for Entrepreneurship Development, the national SME development agency, is responsible for the implementation of most of the planned actions in this area.²⁴

These actions and solutions, including specific actions to empower women, youth and migrant entrepreneurs, are contained in the National Programme for the Promotion of Entrepreneurship and Increased Competitiveness for 2023-2027.²⁵ The priority areas of this programme include improving the regulatory framework for SMEs and companies located in rural areas, developing an innovation ecosystem, enhancing entrepreneurial culture and skills, increasing enterprise access to financial resources and developing a business support infrastructure. The programme also strives to stimulate export growth in the context of the internationalization of Moldovan SMEs and to ensure more efficient use of DCFTA opportunities. To achieve these goals, the programme contains measures to support innovation, the digital transformation of SMEs and the transition of SMEs towards a green economy.²⁶ The programme is implemented with the technical assistance of the EU.²⁷ In 2021, the total budget of EU support for SMEs was around 120 million EUR. The programme has already supported over 6200 SMEs, 38.6 per cent of which are women-owned.²⁸

Female entrepreneurship in the Republic of Moldova is expanding. In 2021, the share of businesses owned or managed by women reached close to 34 per cent.²⁹ Various opportunities exist to exchange knowledge between experienced entrepreneurs and women interested in scaling up their businesses and sharing success stories. These include the Women's National Platform³⁰, the Association of Women Entrepreneurs in Moldova³¹, the Association of Professional and Businesswomen of Moldova³² and the Business Academy for Women.

The Republic of Moldova plans to review other funding programmes to support SMEs, including the Women in Business programme; the "Start for Youth – a sustainable business at your home" programme; the Credit Guarantee Fund; the "Business support with high growth potential and internationalization" programme; and the "Greening Small and Medium Enterprises" programme.³³

Box 2

UNECE Studies on Regulatory and Procedural Barriers to Trade to enhance MSMEs' participation in trade

In 2021-2022, in response to the COVID-19 pandemic, the UNECE conducted two Studies on Regulatory and Procedural Barriers to Trade³⁴ with a focus on SMEs and female-owned MSMEs.

The pandemic resulted in a further weakening of export-oriented MSMEs. The key challenges faced by MSMEs in the Republic of Moldova identified by the Studies include limited access to finance, weak technological capabilities, and the difficult regulatory and procedural requirements for access to foreign markets, including the EU market. The UNECE Studies also highlighted many key structural weaknesses that must be addressed to ensure fast and sustainable economic recovery of MSMEs, including enhancing access to information on trade regulations and procedures, supporting technological upgrades of production facilities, promoting digitalization, and facilitating economic connections between the two sides of the Dniester River. The UNECE analysis and recommendations offer a valuable framework to enhance and consolidate joint efforts by the Government and the development partners to enable inclusive and sustainable economic transformation in the Republic of Moldova.

Source: UNECE ECTD.

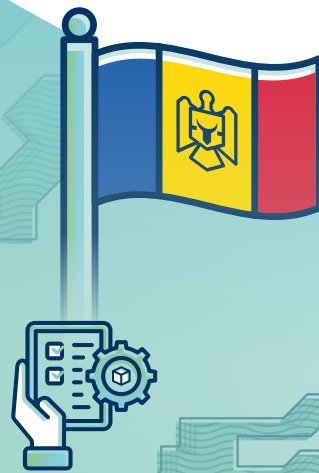
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- ² World Bank (WB), “GDP per capita (current USD)”, World Bank Open Data. Available at <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=MD> (accessed on 28 September 2023).
- ³ International Monetary Fund (IMF), IMF Data Mapper. Available at <https://www.imf.org/external/datamapper> (accessed on 28 September 2023).
- ⁴ See: <https://documents1.worldbank.org/curated/en/266831467999092058/pdf/103995-REPF-Moldova-Trade-Study-Note-1-Analysis-of-Trade-Competitiveness.pdf>.
- ⁵ See: <https://trade.ec.europa.eu/access-to-markets/en/content/eu-moldova-deep-and-comprehensive-free-trade-area>.
- ⁶ Trading Economics, “Moldova Current account to GDP”. Available at <https://tradingeconomics.com/moldova/current-account-to-gdp> (accessed on 28 September 2023).
- ⁷ WB, “Service Exports (BoP current USD)”, World Bank Open Data. Available at <https://data.worldbank.org/indicator/BX.GSR.NFSV.CD?locations=MD> (accessed on 28 September 2023).
- ⁸ World Trade Organization (WTO), “The Republic of Moldova and the WTO”, Member Information. Available at https://www.wto.org/english/thewto_e/countries_e/moldova_e.htm (accessed on 28 September 2023).
- ⁹ The E-Governance Agency of Moldova website states that “[t]he digital transformation of the Republic of Moldova will be achieved in the next seven years, based on a unified strategic vision consulted with all stakeholders”. For additional information, see <https://egov.md/ro/node/39754>.
- ¹⁰ After the approval of the SDTRM, a dedicated programme for the digitalization of the national economy will be developed. At the same time, a legislative package to stimulate electronic commerce is to be approved. This contains several amendments to provisions regarding consumer protection in e-commerce, clarification of the online sales regime of certain products and the elimination of data protection constraints for transnational commercial networks.
- ¹¹ See Roadmap-3.4_en.pdf (gov.md).
- ¹² The implementation of an online business administration tool – Contactless Business in Moldova – is expected in 2023 to facilitate remote G2B interactions. For additional information, see Roadmap-3.4_en.pdf (gov.md).
- ¹³ The e-commerce platform is supported by the Open Regional Fund for South-East-Europe–Foreign Trade project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH on behalf of the European Union and the German Federal Ministry for Economic Cooperation and Development. The web platform consists of relevant e-commerce data and resources, including basic e-commerce data, interactive graphs, data on CEFTA e-commerce market development, as well as data on key aspects of doing business in e-commerce.
- ¹⁴ EU4Digital, “Moldova adjusts e-commerce legal framework to accord with EU practices”, 27 March 2023. Available at <https://eufordigital.eu/moldova-adjusts-e-commerce-legal-framework-to-accord-with-eu-practices/>.
- ¹⁵ See also related discussion in part 2.2 below.
- ¹⁶ For additional information on the EU4Environment report on the green economy in Moldova, see <https://eufordigital.eu/moldova-adjusts-e-commerce-legal-framework-to-accord-with-eu-practices/>.
- ¹⁷ Available from the Environmental Performance Index website (<https://epi.yale.edu/>).
- ¹⁸ Available from the Green Growth Index website (<https://greengrowthindex.gggi.org/#:~:text=The%20Green%20Growth%20Index%20scores,very%20high%20green%20growth%20performance>).
- ¹⁹ The draft of the National Development Strategy, Moldova 2030 as of 5 June 2018. Available at https://www.imf.md/press/SND_MD2030_25_Jun_eng.pdf.
- ²⁰ Available from the EU4Environment website (<https://www.eu4environment.org/where-we-work/republic-of-moldova/>).
- ²¹ Available from the Green Economy Financing Facility (GEFF) website ([https://ebrdgeff.com/about-seff/#:~:text=About%20GEFF%20-%20GEFF&text=Green%20Economy%20Financing%20Facility%20\(GEFF,4%20billion%20of%20EBRD%20finance\)](https://ebrdgeff.com/about-seff/#:~:text=About%20GEFF%20-%20GEFF&text=Green%20Economy%20Financing%20Facility%20(GEFF,4%20billion%20of%20EBRD%20finance))).
- ²² European Bank for Reconstruction and Development (ERBD), “Green Technology Selector”. Available at <https://ebrdgeff.com/egypt-gvc/technologys/technology-selector-database/> (accessed on 28 September 2023).
- ²³ Moldpres, “Government approves European Moldova 2030 National Development Strategy”, 23 September 2022. Available at <https://www.moldpres.md/en/news/2022/09/23/22007194>.
- ²⁴ According to Law No. 179/2016, related to SMEs, the implementation of the state policy on supporting the development of SMEs is carried out by the ODA and other authorities and public and private institutions in the field. See the WTO Trade Policy Review (WT/TPR/G/428), statement by the Republic of Moldova, 15 June 2022.
- ²⁵ Foreign Investors Association, “Presentation of the draft National Programme for the Promotion of Entrepreneurship for

- 2022-2026”, 17 August 2022. Available at <https://fia.md/event/presentation-of-the-draft-national-programme-for-the-promotion-of-entrepreneurship-for-2022-2026/>
- ²⁶ Infomarket, “The Ministry of Economy is starting to develop the National Program for the Development of Entrepreneurship and Increase of Competitiveness for 2022-2026”, 7 December 2021. Available at <https://businessdaily.md/en/analytics/275514>
- ²⁷ Teleradio-Moldova, “Priorities of the National Program for the Promotion of Entrepreneurship and Competitiveness for the years 2022-2026”, 2 August 2022. Available at <https://trm.md/en/social/un-nou-program-national-de-promovare-a-antreprenariatului-este-pe-cale-de-a-fi-aprobat-in-tara-noastra>.
- ²⁸ EU4Business “Country Report 2022: Moldova”, Available at <https://eu4business.md/en/reports/eu4business-country-report-2022-moldova/>.
- ²⁹ United Nations Women Factsheet, April 2021, “Republic of Moldova Women Entrepreneurs”, Available at https://eca.unwomen.org/sites/default/files/Field%20office%20ECA/Attachments/Publications/2021/8/Expo%20Report/Republic%20of%20Moldova_Factsheet-min.pdf.
- ³⁰ Available from the Platforma Națională a Femeilor din Moldova website (<https://platformafemeilor.md/despre-noi/>).
- ³¹ Available from the Association of Women Entrepreneurs in Moldova website (<https://afam.md/?lang=en>).
- ³² This is a branch of the International Federation of Business and Professional Women, a global networking organization that brings together 28000 female entrepreneurs, businesspeople and professionals from over 90 countries. For additional information, see https://bpw.md/index.php?option=com_content&view=category&layout=blog&id=11&Itemid=1. See also <https://www.wegate.eu/business-and-professional-women-moldova/>.
- ³³ WTO Trade Policy Review (WT/TPR/G/428), statement by the Republic of Moldova, 15 June 2022.
- ³⁴ For more information on the Studies, see <https://unece.org/trade/studies-regulatory-and-procedural-barriers-trade>.

Chapter 2

TRADE FACILITATION ENVIRONMENT IN THE REPUBLIC OF MOLDOVA



Key messages

- Trade liberalization and openness represent key objectives of the Government's sustainable development agenda.
 - The country's trade policy focuses on engagement in both the multilateral trading system (with its key rules on non-discrimination) and the regional trade policy (deepening trade relations through FTAs).
 - Trade and digitalization policies and reforms have been implemented to enable the Republic of Moldova to increase participation in regional and global value chains and to contribute to inclusive, sustainable economic growth.
 - Comprehensive legal and regulatory frameworks include provisions on the import and export of goods, transit operations, preferential rules of origin, the Authorized Economic Operator (AEO) program, as well as appeal and review procedures.
 - The customs service has been using the ASYCUDA World customs management system since 2006 and is piloting a new module to enable SMEs to engage more readily in e-commerce.
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This chapter provides an overview of the current trade facilitation environment in the Republic of Moldova, including the legal and regulatory framework.

2.1 Trade facilitation institutional framework

Trade liberalization and openness represent key objectives of the Republic of Moldova's trade and economic policy agenda. The Republic of Moldova has been a Member of WTO since 2001. On 24 June 2016, it ratified the WTO TFA. The NTFC was established through Government Decision No. 26 on 25 January 2017. The NTFC is responsible for monitoring the implementation of the National Action Plan on Trade Facilitation. The NTFC prepares a report on the plan's implementation and submits it to the government on annual basis (before 1 March). The NTFC is part of the Economic Council to the Prime Minister. The responsibilities of the NTFC and government agencies that participate in implementing the WTO TFA have been outlined in the Government Decision published on 15 December 2017. For instance, the Ministry of Economy and Infrastructure ensures the annual re-evaluation of the achievement of the National Action Plan on Trade Facilitation is conducted and the plan is adjusted as needed.

In recent years, the Republic of Moldova has undertaken a series of reforms and implemented initiatives to streamline, facilitate, and simplify trade procedures and regulations and improve the business climate. This has opened the door for the continuous expansion of its export markets and the deepening of trade relations through 16 FTA, covering 46 partners, including the EU, Albania, Armenia, Azerbaijan, Belarus, Türkiye, Turkmenistan, Ukraine, the United Kingdom, and Uzbekistan, as well as most recently the EFTA countries.

Key recent agreements shaping policy development in the Republic of Moldova include the EU-Moldova Association Agreement (AA) and the DCFTA, established in 2014 and 2016, respectively. According to the authorities, legislation in the Republic of Moldova has been fully harmonized with 213 of the 456 EU legal acts listed in the DCFTA for alignment.¹

Box 3 National Action Plan for Trade Facilitation

To support the WTO TFA's implementation, a National Action Plan for Trade Facilitation for the period 2018 – 2020 was adopted on 12 December 2017. The plan, which was developed incorporating the recommendations of the UNECE Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova undertaken in the year 2017,² was presented by the Government of the Republic of Moldova at the WTO Committee on Trade Facilitation on 2 May 2018.³ As part of this plan, the Republic of Moldova has undertaken a series of reforms and initiatives to streamline, facilitate and simplify trade procedures and regulations. The National Action Plan goes beyond addressing capacity shortfalls of agencies involved in supporting trade activities. It also stipulates strengthening or expanding the capacities of other agencies such as the National Food Safety Agency (ANSA) and the National Accreditation Center of the Republic of Moldova (MOLDAC). The plan also features a special focus on creating the required mechanisms for keeping the private sector abreast of applied trade-related rules and regulations and ensuring their active involvement in decision-making processes.

Source: UNECE/ECTD.

In March 2022, the Republic of Moldova applied for EU membership. On 7 February 2023, at the EU-Moldova Association Council in Brussels⁴, the EU and the Republic of Moldova agreed to strengthen cooperation in a number of key areas in line with the Republic of Moldova commitments under the EU-Moldova AA, including the Republic of Moldova participation in the EU Customs and the EU Fiscalis programmes.⁵ This allows the country to participate in both programmes' activities alongside EU member States and other participating countries and benefit from a wide-ranging training portfolio. All these new cooperation avenues are important considering the Republic of Moldova's status as a candidate country to the EU.

2.2 Legal and regulatory framework on export and import procedures

An importer or the authorized customs broker representing an importer must declare goods for customs clearance and pay import duties prior to submitting the customs declaration. Importers must submit customs declarations electronically at least one hour before the goods are presented at the border or in writing within 72 hours. A customs declaration must be filled out for every commercial invoice. A customs declaration must be accompanied by an original commercial document such as the invoice, a transport document and the permissive act (licences and other authorizations, which will vary depending on the product).⁶

All importers and customs brokers should obtain an "electronic signature" from the Special Telecommunications Center to access the electronic customs clearance on import and export. Following the payment of customs duties (in case the goods are not of preferential origin), registration of the cargo via the customs information system (ASYCUDA World) is feasible.

Customs duties shall not be paid or partially paid in cases where the goods originate from a country (union) with which the Republic of Moldova has an FTA providing for preferential origin.⁷ One example is the preferential rules of origin (RoO) detailed in Protocol II of the EU-Moldova AA. According to this protocol, the product is deemed as originating in a country when it is wholly produced in the territory of one of the parties

or when products have been “sufficiently worked or processed” in order to obtain the movement “certificate [of origin] EUR.1”. An annex to each protocol defines four different criteria for “sufficient processing” of each product (e.g. tariff heading). Apart from the basic bilateral cumulation between the EU and Moldova, the protocols to the AA specify some additional flexibilities such as tolerance⁸ or cumulation (bilateral, diagonal or full),⁹ which might allow preferential or zero tariffs among countries that have FTAs with each other, and which are at the same time members of the Regional Convention on Pan-Euro-Mediterranean (PEM) preferential RoO scheme. In April 2020, the common partners of the EU and the Republic of Moldova who were eligible for diagonal cumulation were Türkiye and the Western Balkans. Furthermore, the Republic of Moldova can use full cumulation in intra-trade within CEFTA countries.¹⁰

Other examples of preferential RoO include those set by the Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS), CEFTA¹¹, and the FTA between the Republic of Moldova and Türkiye.

The preparation of customs documents upon clearance of goods originating from external economic transactions is regulated by the Order of the Customs Service No. 276-O/24.10.2002. Customs clearance for goods in transit¹² is done based on the NCTS. This is a European management and control system based on the electronic submission of transit declarations and electronic exchange of data between the customs authorities involved in a transit procedure: authority of departure, transit authority and authority of destination. The advantages of NCTS include better quality of services provided to businesses, higher security of data, electronic confirmation of the transit operation, lower costs, fewer delays caused by the hard copy declaration of goods, as well as lower risk of fraud and corruption by means of online monitoring of transit.

Customs control procedures pertain to the risk analysis activity and consist of the identification, assessment and treatment of risks to select the economic agents that will be subject to subsequent control. The Republic of Moldova has various legal acts in force¹³ providing for, inter alia, planning procedures, coordination and organization of subsequent control activities, the forms, procedures and methods of control, the process of carrying out the post customs audit, etc.

It is worth noting that the country has separate legal frameworks for the control of non-food¹⁴ and food products (food safety control),¹⁵ as well as for the sanitary, phytosanitary and veterinary control of goods.¹⁶ In line with best practices, the Republic of Moldova also has a separate set of rules for conducting customs control of strategic goods.¹⁷ These are defined as those goods that, for security reasons or based on international agreements, are considered of such importance that the export, import and transit thereof is either completely forbidden or is subject to specific conditions or restrictions. Such goods are generally provided for military use or to produce weapons of mass destruction. The Trade Information Portal of the Republic of Moldova provides a guide on the export, re-export, import and transit of strategic goods.

The customs warehousing procedure¹⁸ allows the storage of goods (e.g. domestic goods intended for export) in places approved by and under the supervision of the customs authority – customs warehouses.¹⁹ Warehouses can be managed by the customs authority (type D warehouse) and by legal entities from the Republic of Moldova holding an authorization issued by the customs authority.²⁰

2.3 Authorized Economic Operator

Upon request, Moldovan customs may issue a so-called AEO status to any businesses that meet a set of reliability criteria.²¹ The AEO status allows businesses to enjoy simplified clearance procedures, priority at the border crossing, fewer customs controls, 30-day deferred payment under bank guarantee, fewer formalities to be met, etc.²²

The AEO status is based on the partnership between the customs authority and the economic operators who voluntarily comply with customs regulations, ensure the security of goods in international traffic, cooperate with the customs authority and therefore benefit from customs facilities and simplifications. It was implemented in the Republic of Moldova in 2014, constituting a condition of the AA, and is based on the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Trade. There are currently 115 economic operators with valid AEO authorizations.²³

The AEO mutual recognition agreement with the EU entered into force on 1 November 2022. This agreement is a major step forward in the EU-Moldova trade relationship because it provides reciprocal benefits to their respective AEOs, such as priority treatment at customs clearance.²⁴ The AEO program and processes of the Republic of Moldova were also assessed by the CEFTA secretariat to validate the effectiveness of their design and operation. The mutual recognition agreement is yet to be implemented.

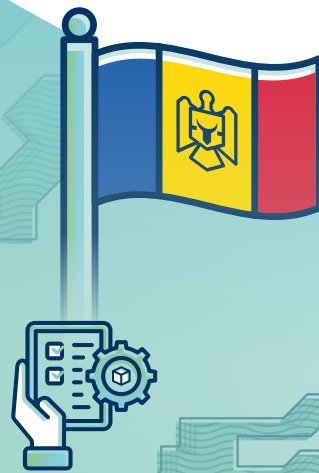
Notes

- ¹ For more information on the Studies, see <https://unece.org/trade/studies-regulatory-and-procedural-barriers-trade>.
- ² *Regulatory and Procedural Barriers to Trade in the Republic of Moldova, Needs Assessment*, ECE/TRADE/433 (United Nations publication issued by the Economic Commission for Europe, 2017).
- ³ Presentation by the Republic of Moldova, “National Action Plan on Trade Facilitation”, Committee on Trade Facilitation, WTO, Geneva, 2 May 2018.
- ⁴ European Commission, “The EU and the Republic of Moldova strengthen engagement and cooperation on reforms”, 7 February 2023. For more information, see https://neighbourhood-enlargement.ec.europa.eu/news/eu-and-republic-moldova-strengthen-engagement-and-cooperation-reforms-2023-02-07_en.
- ⁵ Available from the EU Customs programme website (https://taxation-customs.ec.europa.eu/eu-funding-customs-and-tax/customs-programme_en) and the EU Fiscalis programme website (https://taxation-customs.ec.europa.eu/eu-funding-customs-and-tax/fiscalis-programme_en).
- ⁶ For more information on specific goods, see the Trade Information Portal of the Republic of Moldova website (<https://trade.gov.md/en>).
- ⁷ The legal framework related to preferential origin includes the Customs Code of the Republic of Moldova No. 1149/20.07.2000; Law No. 1380/20.11.1997 on the Customs Tariff; the Regional PEM Convention on preferential rules of origin, ratified by the Republic of Moldova by the Law No. 111/28.11.2015; the Agreement on the Rules for determining the country of origin of goods in the CIS, ratified by the Law No. 93/12.11.2011; Government Decision No. 1599/13.12.2002 on the rules of origin of goods; Government Decision No. 761/17.09.2014 for the approval of the Regulation on the completion, authentication, issuance and subsequent verification of certificates of preferential origin of goods; Customs Service Order No. 412-0/23.09.2014 on the approval of the technical norms on the completion of certificates of preferential origin of goods; Customs Service Order No. 240-0/22.05.2019 on the approval of guidelines for verification of evidence of preferential origin, submitted for the application of the preferential tariff treatment, under the Regional PEM Convention on preferential rules of origin. See https://www.legis.md/cautare/getResults?doc_id=114515&lang=ro. For more information on preferential origin, see also the Trade Information Portal of the Republic of Moldova website (<https://trade.gov.md/en/articles/origine-preferentiala>), last updated 30 April 2020.
- ⁸ The tolerance rule allows the producer to use non-originating materials normally prohibited by the product-specific rule up to 10% of the product's ex works price.
- ⁹ In cases where non-originating materials are used (e.g. originating in one Contracting Party of the PEM Convention or if the working or processing was carried out in a PEM Contracting Party. For more information, see https://taxation-customs.ec.europa.eu/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en.
- ¹⁰ See <https://trade.ec.europa.eu/access-to-markets/en/content/eu-moldova-deep-and-comprehensive-free-trade-area>.
- ¹¹ According to the CEFTA (the members of which are Albania, Bosnia and Herzegovina, North Macedonia, the Republic of Moldova, Montenegro, Serbia and The Republic of Kosovo), the provisions of the PEM Convention are applied in order to determine the origin.
- ¹² Goods in transit are defined as goods not cleared upon entering the country, goods cleared internally for export and goods transported under customs transit procedure between two customs authorities, except for goods internally cleared for export under certain procedures. See <https://trade.gov.md/en/articles/t1>. The Customs Service Order No. 310/04.08.2017 provides the approval of the methodological norms regarding the application of the transit system on the territory of the Republic of Moldova. The Customs Service Order No. 70/01.03.2022 regarding some particularities of the transit procedures specifies the methodology for extending the transit term and the technical rules regarding the actions of the customs body in case of events and irregularities in the transit procedure. Control over the execution of this order is attributed to the directorate for the organization of customs control and trade facilitation of the Revenue and Customs Control Department.
- ¹³ The legal framework consists of Customs Code of the Republic of Moldova No. 1149/20.07.2000; Government Decision No. 1140/02.11.2005 approving the Regulation on Customs Destinations provided under the Customs Code of the Republic of Moldova; Government Decision No. 1000/17.10.2018 approving the Regulation on Subsequent Control by Customs Authorities. The regulation regarding the procedure for carrying out subsequent customs controls was approved in October 2018 through Government Decision No. 1000. The Decision states the risk analysis activity consists of the identification, assessment and treatment of risks in order to select the economic agents that will be subject to subsequent control. See <https://trade.gov.md/en>.
- ¹⁴ Law No. 7/26.02.2016 on market surveillance relating to the marketing of non-food products and Government Decision No. 1076/23.09.2016 approving the Regulation on cooperation between the market surveillance authorities and the Customs Service.

- ¹⁵ The legal framework for imported goods consists of the Customs Code of the Republic of Moldova No. 1149/2000 and Government Decision No. 938/2018 approving the Regulation on the State Border Crossing of Goods Subject to Control by the National Food Safety Agency.
- ¹⁶ The legal framework includes the Customs Code of the Republic of Moldova No. 1149/2000; Law No. 160/2011 on the regulation of the entrepreneurial activity through authorization; Law No. 221/2007 on sanitary-veterinary activity; and Government Decision No. 938/2018 approving the Regulation on the State Border Crossing of Goods Subject to Control by the National Food Safety Agency. Specific to the phytosanitary control of goods, Government Decision No. 333/2018 approved certain layouts of acts. For exports, the legal framework also includes Government Decision No. 654/18.09.2015 approving the Regulation on the One-Stop Shop for the issuing of permissive acts for the export of products and sub-products of animal origin; Government Decision No. 1405/10.12.2008 approving the Sanitary-Veterinary Norm on the hygiene of feed and content of undesirable substances in animal feed; Order of the Ministry of Agriculture and Food Industry No. 218/26.09.2006 approving the Sanitary-Veterinary Norm on establishing the health conditions regulating the import and export of animals, semen, ova and embryos from species that are not provided in the specific legislation.
- ¹⁷ The legal framework for the control of strategic goods includes the Customs Code of the Republic of Moldova No. 1149/20.07.2000; Law No. 160/22.07.2011 on regulation of the entrepreneurial activity through authorization; Law No. 1163/26.07.2000 on Export, Re-export, Import and Transit Control of Strategic Goods; Government decision No. 606/15.05.2002 on the National System of Export, Re-export, Import and Transit Control of Strategic Goods in the Republic of Moldova. See <https://trade.gov.md/en>.
- ¹⁸ For more information on customs warehouses, see the Trade Information Portal of the Republic of Moldova website (<https://trade.gov.md/en/articles/antrepozit-vamal>), last updated 27 June 2023.
- ¹⁹ The legal framework related to customs warehouses consists of the Customs Code of the Republic of Moldova No. 1149/20.07.2000; Government Decision No. 1140/02.11.2005 on the approval of the Regulation on the implementation of customs procedures provided by the Customs Code of the Republic of Moldova.
- ²⁰ Customs warehouses managed by economic operators can be (i) public, where everyone is allowed to store goods, under the responsibility of the warehouse keeper (type A warehouse), or under the responsibility of each depositor (type B warehouse) and (ii) private, intended for the storage of goods owned only by the warehouse keeper (type C warehouse).
- ²¹ The legal framework includes the Customs Code of the Republic of Moldova No. 1149/20.07.2000, Section 281: Authorized Economic Operator; Government Decision No. 647/07.08.2014 on enforcement of provisions of sections 271-a and 281-a of the Customs Code of the Republic of Moldova; Order of the Customs Service No. 41-0/25.01.2019 approving the Methodological Norms on the verification of applicants and holders of the Authorization of Authorized Economic Operator; Authorized Economic Operators Guidelines (version.6) developed by the European Commission Directorate-General for Taxation and Customs Union.
- ²² For more information on Authorized Economic Operator (AEO), see the Trade Information Portal of the Republic of Moldova website (<https://trade.gov.md/en/articles/aeo-en>), last updated 22 June 2023.
- ²³ WTO Trade Policy Review (WT/TPR/G/428), statement by the Republic of Moldova, 15 June 2022.
- ²⁴ European Commission, "Customs: new agreement to improve trade flows between the EU and Moldova enters into force on 1 November, 28 October 2022.

Chapter 3

WTO TFA COMMITMENTS OF THE REPUBLIC OF MOLDOVA



Key messages

- As of March 2023, the Republic of Moldova has implemented WTO TFA Category A and B and is in the process of implementing the Category C commitments.
 - The remaining WTO TFA commitments pertain to those measures designated by the country as Category C. Their implementation is dependent upon technical assistance and capacity-building support.
 - The remaining Category C commitments include 54 WTO TFA provisions related to five WTO TFA articles, which constitute seven measures whose definitive implementation date is 31 December 2025.
 - The Republic of Moldova's WTO TFA implementation rate exceeds the global rate of WTO TFA implementation, and it is higher than the implementation rate of some developing WTO members.
-

This chapter provides an analysis of the WTO TFA implementation status of the Republic of Moldova. An overview of the WTO TFA and details on notification requirements and commitments are provided in Annex 1.

3.1 WTO TFA implementation status

The WTO TFA provides three categories of provisions in relation to developing and least developed country (LDC) Members: Categories A, B, and C. The Members are to self-designate the provisions that fall under each of the categories. The categories' differences relate to the time the Member has to implement provisions consistent with the WTO TFA. Category A provisions require the shortest time for implementation, and Category C requires additional capacity-building, with support being provided by developed countries. As part of the WTO TFA implementation process, developing and LDC Members can also request an extension from the WTO Trade Facilitation Committee if they experience difficulties implementing a provision in Category B or C by the date they were notified.

On 19 September 2014 (WT/PCTF/N/MDA/1), the developing WTO Member Republic of Moldova indicated its Category A commitments (comprising 57.6 per cent). Following up in February 2018, the country notified the indicative dates for implementation of Categories B (19.7 per cent) and C (22.7 per cent due for implementation). On 22 August 2019, the Republic of Moldova submitted an addendum to the Notification of Category commitments under the TFA.¹ The addendum includes the definitive dates for implementation of Category C commitments and the assistance and support for capacity-building required for implementation. While the Republic of Moldova has notified areas where assistance and support for capacity-building are required for implementation, donor arrangements are yet to be made.²

Since then, the Republic of Moldova implemented WTO TFA Category A and B commitments (reaching 77.3 per cent). The remaining WTO TFA commitments pertain to those measures designated by the country as Category C,³ and thus, their implementation is dependent upon technical assistance and capacity-building support.⁴ These measures include 54 WTO TFA provisions related to five WTO TFA articles⁵ and seven measures whose definitive implementation date is 31 December 2025.

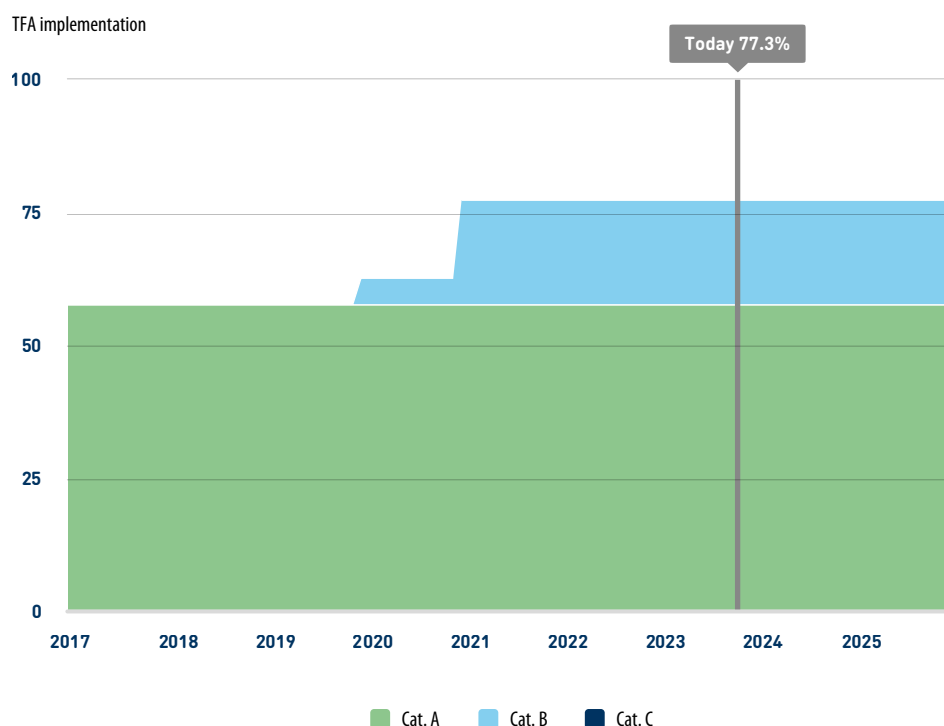
Besides the commitments under categories A, B and C and related notification of the category A, B and C designations and the different timelines for the notification of indicative and definitive dates for the implementation of categories B and C commitments, the TFA requires notification of the technical assistance necessary for the implementation of category C commitments. The Republic of Moldova submitted the notification regarding technical assistance requirements in February 2018. As of May 2023, there are two outstanding notifications related to technical assistance support, namely on arrangements on the provision of technical assistance support and on progress in the provision of technical assistance support.

The Republic of Moldova has achieved significant progress with the WTO TFA implementation. As of March 2023, the implementation rate of the WTO TFA commitments of the Republic of Moldova stands at 77.3 per cent, with a time frame spanning from February 2017 to December 2025 (Figure 9).

Its implementation rate exceeds the global rate of WTO TFA implementation commitments, being close to the average implementation rate of developing economies, and it is higher than the average implementation rate of landlocked developing countries (LLDCs) (Figure 10).

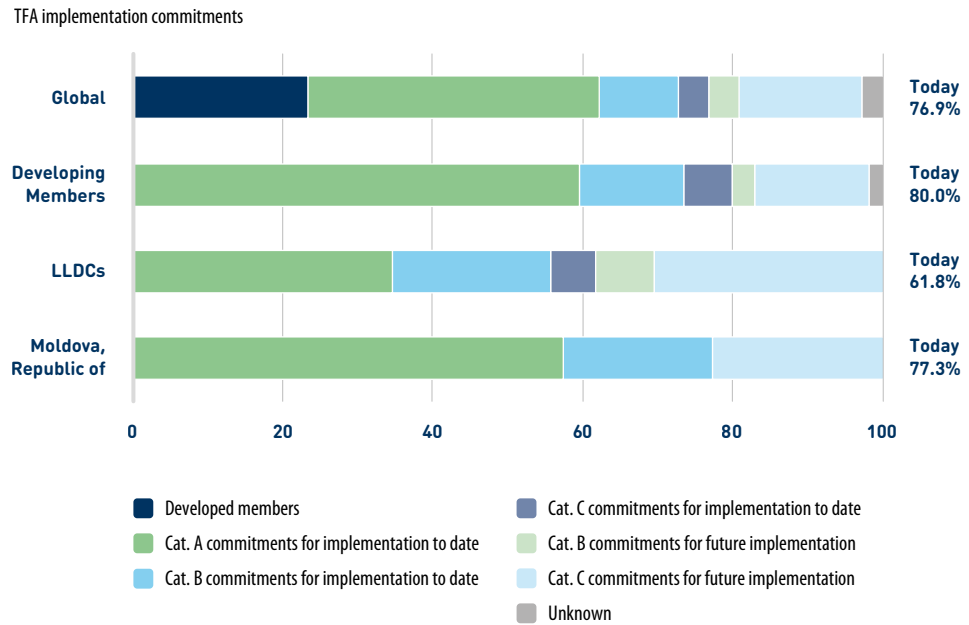
Notably, the actual implementation rate might be even higher since the Republic of Moldova implemented some C type commitments (see related discussion below) for which the country still needs to send notification.

Figure 9 • The Republic of Moldova timeline of WTO TFA implementation commitments, 2023 (as of 1 October 2023)



Source: WTO TFA Database.

Figure 10 · Implementation rate of WTO TFA – the Republic of Moldova, developing countries, LLDCs and global rate, 2023 (as of 1 October 2023)



Source: WTO TFA Database.

Measuring progress in the context of the nature of the WTO TFA measures

The WTO TFA is a unique agreement since it features several implementation flexibilities. First, the WTO TFA reflects an understanding that without external technical assistance and capacity-building support, developing and LDC Members may be unable to implement some or all of the technical measures (e.g. Category C measures). Therefore, there is an understanding that Members themselves should determine what support they require and when they will be prepared to implement each measure.

The second peculiarity of the WTO TFA is that most measures are written in language that does not mandate ('shall' or 'shall not') but rather requires 'best endeavour' implementation of specific measures. Under these best endeavour provisions, a WTO Member is 'encouraged' or obligated 'to the extent practicable', or 'as appropriate', to implement a particular measure in a manner it deems suitable to its capacity and specific legal, technical or other local factors. Many measures are also of a mixed nature, combining mandatory and best endeavour provisions.

Bearing these operational features of the WTO TFA in mind, it should be mentioned that the fact that the Republic of Moldova conditioned its implementation schedule (Category C measures) on the receipt of the technical and capacity-building support it deems necessary, is in line with, and de facto promoted by, the agreement. Therefore, it is not illustrative of the lack of the country's goodwill or commitment to fully implement the agreement. Rather, this points out the remaining outstanding needs, which in most instances depend on the receipt of necessary technical and capacity-building support.

Furthermore, not all measures contain strong obligations, recognizing that implementation of some of them may not be feasible or practicable. Therefore, such measures (or means of their implementation) are left to the implementing country to determine. Most of the measures that are still due to be implemented by the Republic of Moldova contain this language (see Table 1)⁶, bringing some degree of flexibility for complying with particular obligations and for defining the nature of the recommendations provided in Table 1.

3.2 Outstanding WTO TFA commitments

Table 1

The nature of outstanding WTO TFA commitments of the Republic of Moldova

Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed ⁷	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF) ⁸
Article 1: Publication and Availability of Information			
Paragraph 2. Information available through Internet 1.2.1 (a), (b), 1.2.2. 1.2.3	Paragraph 2 of the TFA obliges Members to make available, through the Internet, information on procedures for importation, exportation and transit, the forms and documents required for importation into, exportation from, or transit through the territory of that Member, as well as contact information on its enquiry point(s).	Mandatory	F
	Paragraph 2 also requests that WTO Members update their website(s) in order to provide the most accurate information to relevant stakeholders. Nonetheless, the obligation to update was somewhat neutralized by adding the terms 'to the extent possible' and 'as appropriate'. In other words, both terms bring some degree of flexibility in the compliance of the obligation to update.	Best endeavour	F
Article 5: Other Measures to Enhance Impartiality, Non-discrimination and Transparency			
Paragraph 5.1. (a), (b), (c), (d)	Paragraph 1 states that Members must quickly terminate or suspend the notification of controls as soon as the underlying risk no longer exists, or if changed circumstances allow for a re-evaluation of the notification in a less trade-restrictive manner. It is important to clarify that this provision is only applicable when the WTO Member has set up or maintains a system issuing notifications or guidance to enhance border controls for food, beverages or feedstuffs. The TFA does not require WTO Members to establish rapid alert systems. This measure remains silent on the procedural aspects of notifications or alerts, including the specific means of announcement of termination or suspension. Members are, therefore, free to establish and maintain these systems in the way they deem fit for purpose.	Mixed	NFF

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Table 1

The nature of outstanding WTO TFA commitments of the Republic of Moldova (Continued)

Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF)
Article 7: Release and Clearance of Goods			
<p>Paragraph 1. Pre-arrival processing 7.1.1; 7.1.2</p>	<p>Paragraph 1 binds WTO Members to adopt or maintain procedures allowing the submission of documents, including manifests, prior to the arrival of goods. Subparagraph 1 of paragraph 1 further specifies that Members must adopt or maintain procedures to allow pre-arrival submission of (a) import documentation; (b) manifests; and (c) other required information pertaining to the trade transaction, to enable authorities to release goods on arrival (para. 7.1.1).</p>	Mandatory	NF
	<p>Subparagraph 2 of paragraph 1 also requires WTO Members to set up a mechanism for the advance lodging of import documents in an electronic format. However, this mandatory provision is mitigated by the use of the words 'as appropriate' to allow some degree of flexibility in implementation.</p>	Best endeavour	F
<p>Paragraph 8. Expedited shipments 7.8.1 (a), (b), (c), (d), (e), (f), (g), (h); 7.8.2 (a), (b), (c), (d); 7.8.3</p>	<p>Paragraph 8 requires Members to adopt or maintain procedures to allow the expedited release of at least those goods entering through air cargo, for those persons who apply for such treatment, while maintaining customs control. The obligation is limited to goods entering through air cargo facilities.</p> <p>However, Members may extend the measure to cargo imported through land or sea. With the use of the word 'may', the measure opens up the possibility for Members to require applicants to meet certain conditions (published criteria). Subparagraph 2 of paragraph 8 lists the procedures that Members must set up for the processing of expedited shipments.</p> <p>The measure does not prescribe in detail the procedures for applying this provision. Each WTO Member can determine a set of procedures and criteria that apply to expedited shipments.</p>	Mixed	NFF
<p>Paragraph 9. Perishable goods 7.9.1 (a), (b); 7.9.2; 7.9.3; 7.9.4</p>	<p>Paragraph 9 prescribes that WTO Members must allow the quick release of perishable goods, provided all the regulatory requirements have been met, within the shortest possible time. This means granting perishable goods appropriate priority when scheduling examinations and allowing for proper storage prior to release, including release at storage facilities where practicable.</p>	Mandatory	NFF

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Table 1

The nature of outstanding WTO TFA commitments of the Republic of Moldova (Continued)

Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF)
Article 10: Formalities Connected with Importation, Exportation and Transit			
<p>Paragraph 4. Single Window 10.4.1; 10.4.2; 10.4.3; 10.4.4</p>	<p>Paragraph 4 requires WTO Members to attempt to establish or maintain a Single Window (SW) system, which allows traders to submit, through a single-entry point, documentation and/or data requirements connected to the importation, exportation, or transit of goods.</p> <p>Subparagraph 3 of paragraph 4 requires WTO Members are required to notify the WTO Committee on Trade Facilitation of the details of the operation of their SW.</p> <p>Sub-paragraph 4 of paragraph 4 requires Members to use IT to support the establishment and maintenance of the SW. However, the use of the qualifying words 'to the extent possible and practicable' introduces a wide degree of flexibility in terms of scope, coverage and technical capacity.</p> <p>The measure does not detail how to establish a fully-fledged SW, providing flexibility for Members to progressively guide the transition of all procedures and agencies to a SW system, depending on available resources.</p> <p>Similarly, the timeline for setting up an operational SW mechanism is not specified and depends on the capacity of participating agencies to integrate ICT. The use of relevant international standards is not mandatory when setting up SW schemes.</p>	<p>Best endeavour</p>	<p>F</p>
Article 11: Freedom of Transit			
<p>Paragraphs 1-3. Transit charges, regulations and formalities</p>	<p>Paragraph 1 requires Members to examine their traffic in transit formalities and regulations to determine if they have outlived their purpose or if less trade-restrictive alternatives are available; if so, the Member shall not maintain the formalities.</p>	<p>Mandatory</p>	<p>F</p>
	<p>Paragraph 2 mandates governments not to condition traffic in transit upon collection of fees or charges.</p>		<p>F</p>
	<p>Paragraph 3 states that Members shall not seek, take or maintain any voluntary restraints or any other similar measures on traffic in transit.</p>		<p>F</p>

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Table 1

The nature of outstanding WTO TFA commitments of the Republic of Moldova (Continued)

Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF)
<p>Paragraph 4. Strengthened non-discrimination 11.1 (a), (b); 11.2; 11.3; 11.4</p>	<p>Subparagraph 1 of paragraph 4 mandates that regulations or formalities in connection with traffic in transit imposed by a Member shall not be:</p> <p>(a) maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a reasonably available, less trade-restrictive manner; and/or</p> <p>(b) applied in a manner that would constitute a disguised restriction on traffic in transit.</p>	Mandatory	F
	<p>Subparagraph 2 of paragraph 4 mandates governments not to condition traffic in transit upon collection of fees or charges, except for transportation charges or those charges imposed for administrative expenses, commensurate to the cost of the service rendered.</p>	Mandatory	F
	<p>Subparagraph 3 of paragraph 4 stipulates that Members shall not seek, take or maintain any voluntary restraints or any other similar measures on traffic in transit, but this is without prejudice to existing and future national regulations, bilateral or multilateral arrangements related to regulating transport, consistent with WTO rules.</p>	Mixed	F
	<p>Subparagraph 4 of paragraph 4 stipulates that each Member shall accord to products that will be in transit through the territory of any other Member treatment no less favourable than that which would be accorded to such products if they were being transported from their place of origin to their destination without going through the territory of such other Member.</p>	Mandatory	F
<p>Paragraphs 5-10. Transit, procedures and controls 11.5; 11.6 (a), (b); 11.7; 11.8; 11.9; 11.10</p>	<p>Paragraph 5 encourages WTO Members to set up separate physical infrastructure – including separate berths, lanes and corridors – to facilitate traffic in transit ‘where practicable’. Members are not obliged to enforce this specific provision but are encouraged to do so if there is national capacity and resources.</p>	Best endeavour	F
	<p>Paragraph 6 requires that formalities, documentation requirements and customs controls in connection with traffic in transit shall not be more burdensome than necessary to identify the goods and ensure fulfilment of transit requirements.</p>	Mandatory	F

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Table 1 The nature of outstanding WTO TFA commitments of the Republic of Moldova (Continued)

Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF)
	Paragraph 7 stipulates that once goods have been put under a transit procedure and have been authorized to proceed from the point of origination in a Member's territory, they will not be subject to any customs charges nor unnecessary delays or restrictions until they conclude their transit at the point of destination within the Member's territory.	Mixed	F
	Paragraph 8 mandates Members not to apply technical regulations and conformity assessment procedures within the meaning of the Agreement on Technical Barriers to Trade to goods in transit.	Mandatory	F
	Paragraph 9 binds Members to allow and provide for advance filing and processing of transit documentation and data prior to the arrival of goods.	Mandatory	F
	Paragraph 10 stipulates that once traffic in transit has reached the customs office in the territory of a Member, that office shall promptly terminate the transit operation if transit requirements have been met.	Mandatory	F
Paragraphs 11-15. 11.11; 11.12; 11.13; 11.14; 11.15	Paragraph 11 states that when a guarantee for transit is sought, this instrument must be limited to ensure that the requirements arising from the traffic in transit are fulfilled.	Mixed	NFF
	Paragraph 12 requires that the guarantee shall be discharged without delay.	Mandatory	F
	Paragraph 13 requires Members to allow the submission of comprehensive guarantees covering multiple transactions for the same operator or renewal of guarantees without discharge for subsequent consignments. However, the use of qualifying language 'in a manner consistent with its laws and regulations' means that if the guarantee is not consistent or not provided for in national legislation, the obligation to implement this TFA provision would not be required.	Mixed	F
	Paragraph 14 obliges Members to publish relevant information regarding requirements and processes for setting and discharging guarantees.	Mandatory	NFF

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Table 1

The nature of outstanding WTO TFA commitments of the Republic of Moldova (Concluded)

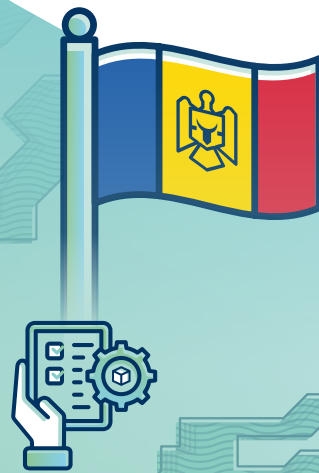
Measure	The obligation explained	The nature of the obligation: mandatory/ best endeavour/ mixed	The status of the obligation: fulfilled (F)/ not fulfilled (NF)/ not fully fulfilled (NFF)
	<p>Paragraph 15 provides for the use of customs convoys or escorts only in specific circumstances. Members can only demand the use of customs convoys or escorts for high-risk traffic in transit or when guarantees provided are not sufficient to ensure compliance with customs laws and regulations. Members have a binding obligation to publish general rules applicable to custom convoys or escorts in accordance with Article 1 of the TFA, which sets forth the principle of access to information and transparency.</p>	Mandatory	F
<p>Paragraphs 16-17. Cooperation and coordination 11.16 (a), (b), (c); 11.17</p>	<p>Paragraphs 16 and 17 call WTO Members to attempt to cooperate with each other to enhance traffic in transit. This could be achieved by strengthening reciprocal understanding of the charges that apply to traffic in transit, formalities and legal requirements, and practical aspects of transit management.</p> <p>The legal after language of paragraph 16 “shall endeavour to” means that Members are not bound to mutual cooperation but have to demonstrate that they have at least made some effort to reach an understanding.</p> <p>Paragraph 17 states that Members must ‘endeavour’ to appoint a focal point for transit coordination to whom all queries and information regarding traffic in transit may be directed. Again, this is not mandatory.</p>	Best endeavour	F

Notes

- ¹ Addendum available at <https://www.tfadatabase.org/en/uploads/notification/NMDA1A2.pdf>.
- ² Developing and least developed country members must notify their requirements for assistance and support for capacity-building in order to implement the provisions of the Category C commitments (Article 16.2d for LDC members and 16.1.c for developing country members).
- ³ For Category C provisions, after one year of entry into force of the WTO TFA, the developing country members must inform the committee regarding the capacity-building arrangements entered into with the help of donor members (see Article 16.1(d) WTO TFA).
- ⁴ This includes attracting financial sources for the procurement of the various components (software, hardware, devices, etc.) required by the relevant State authorities to enable them to implement the outstanding commitments.
- ⁵ Article 1 - Publication and Availability of Information; Article 5 - Other Measures to Enhance Impartiality, Non-Discrimination and Transparency; Article 7 - Release and Clearance of Goods; Article 10 - Formalities Connected with Importation, Exportation and Transit; and Article 11 - Freedom of Transit.
- ⁶ The list of outstanding measures is based on the notification made by the Republic of Moldova in 2019 and may not fully capture the progress that has been achieved to date. Therefore, Table 1 also identifies the areas where progress has been achieved and where additional actions may be either pending or recommended.
- ⁷ Shintaro Hamanaka, "World Trade Organization Agreement on Trade Facilitation: Assessing the Level of Ambition and Likely Impacts", *Asian Development Bank*, September 2014. Available at <https://www.adb.org/sites/default/files/publication/82631/reiwp-138-wto-agreement-trade-facilitation.pdf>.
- ⁸ Detailed information on the state of play regarding the implementation is provided in Chapter 4.

Chapter 4

GAP-FIT ANALYSIS OF CATEGORY C COMMITMENTS



Key messages

- The outstanding Category C commitments include seven measures that relate to five WTO TFA articles for a total of 54 provisions. These measures include publication and availability of information (Article 1); other measures to enhance impartiality, non-discrimination and transparency (Article 5); release and clearance of goods (Article 7); formalities connected with importation, exportation and transit, more specifically, the Single Window (Article 10); and freedom of transit (Article 11).
 - This UNECE assessment finds that progress has already been achieved with respect to the implementation of some outstanding commitments in Category C.
 - However, the country needs capacity-building support in the implementation of other TFA provisions, which are mostly related to the creation of a single window, pre-arrival processing, expedited shipment, perishable goods and transit.
-

This chapter provides an analysis of the WTO TFA provisions to be implemented by the Republic of Moldova under Category C commitments, with a definitive implementation date of 31 December 2025.

As discussed above, in 2019, the Republic of Moldova submitted a notification on arrangements for the provision of technical assistance support. No further notifications on progress related to the provision of technical assistance support were submitted to the WTO. This assessment indicates that progress has been made in implementing some of the measures since the technical assistance support areas were submitted to the WTO. Thus, the recommendations below could provide guidance for a revised set of technical assistance support.

4.1 Analysis of existing evidence for fulfilling the requirements of the respective WTO TFA provisions

4.1.1 Article 1: Publication and availability of information

The outstanding commitment pertains to the implementation of paragraph 2 - Information available through internet, namely provisions 1.2.1 (a), (b), (c); 1.2.2; 1.2.3:

- Provisions 1.2.1 a, b, c – import, export, transit
- Provision 1.2.2 – publication language
- Provision 1.2.3 – additional trade-related information.

Paragraph 1.2.1 a, b, c. Import, export, transit

Assessment of the implementation progress

The Trade Information Portal of the Republic of Moldova provides a description of procedures for the importation, exportation (including documents and procedures, bans, duties), customs control¹ (such as documentary control, physical control, post-clearance audit, etc.), including strategic goods² and transit. An inquiry point is provided for all procedures, in accordance with the WTO TFA requirement Article 1.2.1 (c).

Recommendations

The Republic of Moldova might consider undertaking additional steps to achieve a full implementation of Article 1.2, such as the following:

- Ensure that the information available is accurate and relevant and establish a process for periodically reviewing and updating published information.
- Ensure that a sufficient number of competent subject matter experts and support staff are available to prepare and keep up to date with the procedures and practical guides for import/export/transit procedures.

Paragraph 1.2.2. Publication language

Assessment of the implementation progress

Not all trade-related information is available in English.

Recommendations

The Republic of Moldova might consider providing trade-related information in the Trade Information Portal in English, to the extent feasible.

Paragraph 1.2.3. Additional trade-related information

Assessment of the implementation progress

The Trade Information Portal of the Republic of Moldova provides additional trade-related information, in compliance with Article 1.2.3. Examples include customs procedures such as re-import, re-export, duty-free, customs warehouse and free zones information, and temporary admission of foreign goods intended for re-export. Despite this broad coverage, not all trade-related information is currently available on the portal.

Recommendations

The Republic of Moldova might consider complementing the portal with additional trade-related information, such as the following:

- Fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit.
- Rules for the classification or valuation of products for customs purposes.
- Penalty provisions for breaches of import, export, or transit formalities.
- Agreements or parts thereof with any country or countries relating to importation, exportation or transit.
- Procedures relating to the administration of tariff quotas.

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Relevant UNECE tools

The implementation of the provisions of Article 1.2 can be supported by a number of UNECE tools, including UN/CEFACT Recommendation 38: Trade Information Portals; Recommendation 40: Consultation Approaches; Recommendation 41: Public-Private Partnerships in Trade Facilitation; Digital and Sustainable Trade Facilitation: UNECE Regional Report 2021; Recommendation 1: United Nations Layout Key for Trade Documents; Recommendation 18: Facilitation Measures related to International Trade Procedures; and the Training Material on the Implementation of Single Window.³

4.1.2 Article 5: Other measures to enhance impartiality, non-discrimination and transparency

The outstanding commitment pertains to the implementation of paragraph 1 - Notifications for enhanced controls or inspections 5.1 (a), (b), (c), (d).

Assessment of the implementation progress

The provision has been partially implemented. In 2022, the government adopted Decision No. 791⁴ on the establishment and approval of the concept of the integrated information system “e-ANSA”, which includes an information subsystem for the registration and dissemination of alerts for trade in animals, feed and food products.

This information subsystem aims to connect the National Agency for Food Safety and the veterinary and sanitary authorities with the other authorities that have powers in the field of product safety for products of animal and non-animal origin of any kind. Its main purpose is to control and prevent the spread of diseases, avoid risks in the field of food safety and reduce their consequences for the population.

Government Decision No. 938/17.10.2018 for the approval of the regulation on the border clearance of goods subject to control by ANSA is another legal act that sets the rules for information sharing, which is required for import control purposes among border agencies. It refers to information on the goods that are subject to customs control, operational information regarding the changes made in the legislation, other information relevant to the realization of the common control, the samples of the permissive documents, and the list of risk criteria for the goods subject to customs control.

Recommendations

To complete the implementation of this article, the Republic of Moldova might consider the following actions:

- (a) Issue notifications, based on risk, to all points of entry where sanitary and phytosanitary controls are conducted. Notifications must be reviewed and, if circumstances have changed, the notification must be removed or replaced with a less-restrictive measure. When the customs service and ANSA decide to terminate or suspend the notification or guidance, they should publish an announcement informing the exporting or importing country.
- (b) Provide training for staff in the administration of the program, including proper termination of the notifications.
- (c) Issue notifications using the new system or other forms of communication (e.g. email).

4.1.3 Article 7: Release and clearance of goods

The following paragraphs of Article 7 are pending implementation by the Republic of Moldova:

- Paragraph 1 - Pre-arrival processing 7.1.1; 7.1.2
- Paragraph 8 - Expedited shipments 7.8.1 (a), (b), (c), (d), (e), (f), (g), (h); 7.8.2 (a), (b), (c), (d); 7.8.3
- Paragraph 9 - Perishable goods 7.9.1 (a), (b); 7.9.2; 7.9.3; 7.9.4.

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Paragraph 1. Pre-arrival processing

Assessment of the implementation progress

Paragraph 1, related to pre-arrival processing, has been partially implemented. The legislation of the Republic of Moldova allows the goods to be cleared by both declaration of goods on paper and electronically. The documents attached to the customs declaration must be submitted to the customs authority in the original; in the case of the electronic declaration, the documents shall be scanned and attached to the customs declaration. The customs declaration will be signed using the digital signature issued by the Public Key Certification Center of the public administration authorities.

On 1 April 2019, DHL Express, the Moldovan customs authority, representatives from the private sector and the German Development Agency (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) Moldova started a project for the implementation of Articles 7.1 and 7.8, "Implementation of an electronic pre-arrival customs clearance system".

Recommendations

In order to complete the implementation of this article, the Republic of Moldova might consider the following actions:

- (a) Introduce a mechanism allowing for submission of documents in electronic format prior to arrival.
- (b) Eliminate the use of paper declarations for pre-arrival processing of import documentation.
- (c) Align business processes/procedures of customs and other border agencies involved in the release decision.
- (d) Ensure that pre-arrival declarations are processed with a view to expediting the release of goods upon arrival.
- (e) Train the customs staff on processing pre-arrival declaration and documents.
- (f) Establish an automated processing system for processing import cargo and goods declarations.

Paragraph 8. Expedited shipments

Assessment of the implementation progress

Paragraph 8, related to expedited shipments, has been partially implemented.

An automated system for electronic submission and processing of cargo and/or goods declaration data is available.

Recommendations

To complete the implementation of this article, the Republic of Moldova might consider undertaking the following actions:

- (a) Design simplified procedures for expedited shipments, including conditions and procedures for the modification or termination of an authorization to use expedited release procedures.
- (b) Set up a legislative basis for providing a financial guarantee, which is typically a condition for using these simplified procedures.
- (c) Ensure infrastructure and equipment (facilities and resources) are available for processing expedited shipments.
- (d) Ensure ASYCUDA can accommodate the expedited release procedures listed in Article 7.8.2 (e.g. release based on a single submission of information on certain shipments; release without payment of duty/tax subject to provision of a guarantee).

Relevant UNECE tools

The analysis of the regulatory framework could be conducted according to the UNECE Guide to Drafting a National Trade Facilitation Roadmap⁵ using the UNNExT, Economic and Social Commission for Asia and Pacific (ESCAP), UNECE Business Process Analysis Guide to Simplify Trade Procedures.⁶ Capacity-building activities by the UNECE include training on simplified procedures for expedited shipments for civil servants, customs inspectors and representatives of economic agents.

Paragraph 9. Perishable goods

Assessment of the implementation progress

Article 7.9 related to perishable goods has been partially implemented. Government Decision No. 938/2018 approving the regulation on the state border crossing of goods subject to control by ANSA⁷, and its four annexes, include the procedures related to the control of food products without providing all the details required by Article 7.9.

Article 7.9.1 requires that perishable goods be released in the shortest possible time under normal circumstances. In the Republic of Moldova, the duration of the customs control of perishable goods is limited to three days. The procedures must be reviewed to ensure this is the fastest release time possible.

In addition, Article 7.9.1 states that in exceptional circumstances, the perishable goods must be released outside business hours of customs and other relevant authorities. This provision is pending implementation in the Republic of Moldova.

To fulfill the requirements of Article 7.9.2, which states that perishable goods are to be given priority when scheduling any examinations that might be required, the customs service and ANSA implemented several procedures.

On 1 June 2022, ANSA management held a working meeting with the customs service, during which a joint order⁸ was signed regarding the customs clearance procedure for perishable agricultural products exported from the Republic of Moldova. The provisions of the joint order are aimed at facilitating and promoting the export of perishable agricultural products from the Republic of Moldova, in accordance with point 2 of the Provision of the Commission for Exceptional Situations of the Republic of Moldova No. 24/2022. In the joint order, the institutions set out the mechanism for facilitating and prioritizing the export of perishable products and the process of crossing the border with these types of goods. Thus, during a state of emergency, the representatives of the institutions (ANSA and the customs service) will, as a matter of priority, ensure the necessary conditions for the customs clearance and passage of perishable agricultural exports from the Republic of Moldova across the border.

The procedures in place state that the export of perishable agricultural products originating from the Republic of Moldova will be prioritized. The AEO track will be used for crossing, on which the "Perishable Priority Transport" marking is to be installed. ANSA inspectors, when issuing phytosanitary/sanitary-veterinary certificates for the goods stipulated in annex 1 of the joint order, will issue each transport unit the "Perishable Priority Transport" mark, according to annex 2 to the joint order. This marking will be placed on the windshield of the trucks that will export perishable agricultural products originating from the Republic of Moldova and will serve as the basis for qualifying for the priority regime.

There is evidence of partial implementation of Article 7.9.4, which requires that, in case of significant delays in the release of perishable goods, the Member provides a communication on the reasons for the delay. The ANSA Provision No. 07/1-3-56 2019⁹ specifies that, after the inspection of the food products, a report is to be completed by the ANSA agent. In case of non-compliance, the reason is to be clearly stated.

Recommendations

To complete the implementation of Article 7.9, the Republic of Moldova might consider developing (where applicable) and implementing legal acts and/or procedures providing for the following:

- (a) Priority examination and release of imported perishable goods.
- (b) Storage of perishable goods in appropriate facilities pending results of examination (including facilities located outside the customs area).
- (c) Training of customs staff on the expedited release and clearance of perishable goods.
- (d) Option to have clearance of goods take place at importer's premises.

Relevant UNECE tools

The UNNExT, ESCAP, UNECE Business Process Analysis Guide to Simplify Trade Procedures¹⁰ is a powerful tool that can assist in simplifying procedures for customs declaration and control of perishable goods. UNECE capacity-building workshops can provide training related to perishable freight transport. Other UNECE tools include the following UN/CEFACT Recommendations: Recommendation 15: Simpler Shipping Marks; Recommendation 18: Facilitation Measures Related to International Trade Procedures; Recommendation 37: Single Submission Portal; Recommendation 42: Establishment of a Trade and Transport Facilitation Monitoring Mechanism; and also the UN/CEFACT White Paper on Integrated Track and Trace for Multimodal Transportation and UN/CEFACT Certificate of Conformance.

4.1.4 Article 10: Formalities connected with importation, exportation and transit

The outstanding commitment pertains to the implementation of paragraph 4. Single Window: 10.4.1; 10.4.2; 10.4.3; 10.4.4.

Assessment of the implementation progress

The implementation of the Single Window in the Republic of Moldova is in progress.

The goal of the project “Support to the modernisation of the Customs Service of Moldova in line with Association Agreement requirements” (2017-2019, 1 million EUR) is to assist in the preparation for implementation of the Single Window concept for goods imported into, exported from, and in transit through the Republic of Moldova and to support preparation for the “Convention on a common transit procedure” and the “Convention on the simplifications of formalities in trade in goods (including the New Computerized Transit System)”¹¹

In May 2018, the Republic of Moldova made a presentation in Geneva for the WTO Committee on Trade Facilitation on their National Plan on Trade Facilitation. It was stated that the actions for 2018 included the implementation of the EU Twinning program to create the Single Window for the Republic of Moldova.

Progress has been made in creating a one-stop shop within the National Agency for Auto Transport for the issuance of permissive documents in the field of road transport¹², through Government Decision No. 67/ 05.02.2016.

Government Decision No. 753/14.06.2016¹³ for the approval of the concept of the management mechanism and release of the permissive documents and the action plan regarding implementation of one-stop solutions, updated by Government Decision¹⁴ 913/16.12.20, that entered into force on 18 December 2020.

The system currently operates as a one-stop shop and integrates document submission, additional information exchanges, and the issuance of permissive documents. Following the introduction of this system, the time to issue licences and other documents has declined significantly.¹⁵

Recommendations

To enhance the performance of the Single Window facility, the Republic of Moldova might consider implementing the following functional features:

- (a) Cargo-operation services:** Duty and tax refund and other similar procedures; processing of vessel arrival and departure of vessels/vehicles.
- (b) Checkpoint services:** Facility to consult examination reports; filing of inspection/examination results; warehouse entry and exit controls/cargo management.
- (c) Interoperability/interconnectivity/globally networked customs:** Blockchain projects for supply chain management; international interoperability among Single Windows/customs clearance system; regional Single Window projects or a regional platform for customs information exchange.
- (d) Other features:** common business entity registration service; immigration procedures; services for processing of sampling and testing; Trader Identification Number (TIN); WCO Unique Consignment Reference cargo identification number.
- (e) Single Window performance management:** Built-in system metrics for systematic collection of information on clearance and release times; eventual decrease of clearance and release time; increase Single Window service user satisfaction; target/benchmarked level of performance for Single Window services.

Relevant UNECE tools

The UN/CEFACT Recommendation 33: Recommendations and Guidelines on Establishing a Single Window; Recommendation 35: Establishing a Legal Framework for an International Trade Single Window; Recommendation 36: Single Window Interoperability; and the Training Material on the Implementation of Single Window¹⁶ can support the Republic of Moldova in implementing Article 10.4.

4.1.5 Article 11: Freedom of transit

The outstanding commitment pertains to the implementation of paragraphs 1-17—specifically, Articles 11.1 (a), (b); 11.2; 11.3; 11.4; 11.5; 11.6 (a), (b); 11.7; 11.8; 11.9; 11.10; 11.11; 11.12; 11.13; 11.14; 11.15; 11.16 (a), (b), (c); 11.17.

Paragraphs 1-3. Transit charges, regulations and formalities

For paragraphs 1 and 3, evidence of implementation has not been identified using publicly available resources. Paragraph 2 has been implemented as follows.

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Assessment of the implementation progress

Customs Service Order No. 310/04.08.2017 on the approval of the rule concerning the use of the transit system in the territory of the Republic of Moldova states that "For goods transported by means of transport, the principal provides the customs authorities with a guarantee that must ensure the collection of import/export duties in cases where the transit operation is not completed according to these regulations".¹⁷ The methods of calculating the guarantees comply with paragraph 2.

Customs Service Order No. 70/01.03.2022, regarding some particularities of the transit procedures, specifies the methodology for extending the transit term and the technical rules regarding the actions of the customs body in case of events and irregularities in the transit procedure. Control over the execution of this order is attributed to the Directorate for the organization of customs control and trade facilitation of the Revenue and Customs Control Department.

Recommendations

In order to complete implementation of paragraphs 1 and 3 of Article 11, the Republic of Moldova might consider undertaking the following:

- (a) Assess the trade impact of any new transit charges, regulations or formalities.
- (b) Assign the responsibility for assessing the trade impact.
- (c) Periodically review transit procedures to ensure less trade-restrictive measures are applied.
- (d) Provide training to the customs staff to perform the above tasks.

Paragraph 4. Strengthened non-discrimination

Evidence for the implementation of this paragraph is not available.

Recommendations

In order to complete the implementation of paragraphs 1 and 3 of Article 11, the Republic of Moldova might consider undertaking steps to ensure that staff with the appropriate legal expertise is available to assess compliance of any new transit measures with this non-discrimination rule.

Paragraphs 5-10. Transit, procedures and controls

These paragraphs refer to customs transit procedures and controls. Authorities concerned include the customs and the transport ministry.

Assessment of the implementation progress

According to publicly available information, paragraphs 5 (availability of separate infrastructure for transit), 6 (efficient procedures), 8 (application of technical regulations and conformity assessment procedures) have not been implemented.

Paragraph 7 specifies that goods in transit are not subject to customs charges and unnecessary delays or restrictions until they reach the destination. The provision has been implemented as follows.

According to the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) dated 14 November 1975, which the Republic of Moldova joined in 1993, goods transported in accordance with TIR procedure are exempted from payment/depositing of entry/exit fees and taxes to the intermediate customs authorities.

The customs authorities do not levy any fees for customs clearance of TIR carnets.

For all transit goods, Customs Service Order No. 70/01.03.2022, regarding some particularities of the transit procedures, specifies the methodology for extending the transit term and the technical rules regarding the actions of the customs body in case of events and irregularities in the transit procedure.

Recommendations

In order to complete the implementation of paragraphs 5-10 of Article 11, the Republic of Moldova might consider undertaking the following actions:

- (a) Ensure that all documents can be submitted electronically and that the transit procedures are reviewed and simplified as appropriate.
- (b) Make available, where practicable, physically separate infrastructure (such as lanes, berths and similar) to reduce border congestion and facilitate transit movements.
- (c) Introduce a system for electronic communication between the office of departure and destination and/or monitoring *en route* (e.g. GPS tracking or radio-frequency identification seals).
- (d) Ensure that formalities, documentation requirements and customs controls in connection with traffic in transit are not more burdensome than necessary to identify the goods and ensure fulfilment of transit requirements.
- (e) Ensure technical regulations and conformity assessment procedures within the meaning of the Agreement on Technical Barriers to Trade for goods in transit are not applied.

Paragraph 9 requires Members to allow and provide for filing and processing of transit documentation and data prior to the arrival of goods. The provision has been implemented as follows.

For TIR

TIR Electronic Pre-Declaration enables TIR carnet holders to submit, free of charge, electronic pre-declarations to customs authorities of several countries. By using TOR Electronic Pre-Declaration the customs authorities are able to complete faster TIR carnets in electronic format, which facilitates risk assessment prior to arrival and makes border crossing simpler, safer and faster.

The Association of International Road Haulers of Moldova is the guarantor association in the Republic of Moldova for the transit and shipment of goods under customs supervision in compliance with the TIR procedure.

For T1 procedure

The transit declaration and supporting documents shall be submitted by the principal to the customs authority of departure. In case of goods being introduced into the country, the transit declaration shall be submitted in advance or simultaneously with the introduction of the goods on the customs territory of the Republic of Moldova.

Paragraph 10 relates to the termination of transit operations when transit requirements are met. The procedures in effect indicate the requirements of paragraph 10 are fulfilled.

The customs service states the customs transit procedure is concluded when the goods are presented, along with supporting documents, to the customs authority of destination, in intact condition, except for natural losses related to transportation and storage in good condition.

Paragraphs 11-15. Guarantees

Assessment of the implementation progress

Paragraph 11 requires that the guarantee is limited to ensuring that requirements arising from such traffic in transit are fulfilled. The provision has been implemented as follows.

For T1 procedure

A principal shall provide the customs authorities a guarantee to ensure the collection of import/export duties.

The guarantee shall consist of the following:

- a) Depositing cash into the treasury account or making a bank transfer thereto;
- b) Providing the customs authority with a letter of guarantee issued by a banking institution registered in the Republic of Moldova.

For TIR Carnet

For each TIR carnet, the payment of customs duties and taxes is guaranteed up to the amount of 100,000 (one hundred thousand) EUR. The said amount is paid in Moldovan Lei at the reference exchange rate of the National Bank of Moldova valid on the previous day.

Customs Order No. 310/04.08.2017 on the approval of the methodological norms related to the application of the transit system on the territory of the Republic of Moldova specifies that the guarantee shall be limited to ensuring that requirements arising from such traffic in transit are fulfilled; i.e. the sum of the guarantee must be equal (or higher) than the potential customs liabilities for the goods in transit.

Recommendations

In order to complete implementation of paragraphs 11-15 of Article 11, the Republic of Moldova might consider the following:

- (a) Developing (where applicable) and implementing legal acts and/or procedures providing for the details of the procedure for discharging/renewal of the guarantee.
- (b) Preparing a comprehensive list of circumstances presenting high risk, other than transit of strategic goods.
- (c) Identifying the circumstances when compliance with customs laws and regulations cannot be ensured using guarantees.
- (d) Develop and publish the procedures for use by customs convoys or customs escorts for traffic in transit in all circumstances identified.

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Paragraph 12 is related to the discharge of the guarantee. The provision has been partially implemented.

Order No. 310/04.08.2017 specifies that the guarantor is released from commitments when the transit operation is confirmed as completed at the point of destination.

Paragraph 13 requires the Member to allow comprehensive guarantees, which include multiple transactions for the same operator. The provision has been partially implemented.

Customs Order No. 310/04.08.2017 provides details on comprehensive guarantees for multiple transactions for the same operators.

Paragraph 14 requires the Member to make publicly available the relevant information it uses to set the guarantee, including single transaction and, where applicable, multiple transaction guarantees. This provision has been implemented.

The details are provided in Customs Order No. 310/04.08.2017 on the approval of the Methodological Norms related to the application of the transit system on the territory of the Republic of Moldova, section 2 – Guarantees.

Paragraph 15 relates to customs convoys and customs escorts for traffic in transit.

The provisions in this paragraph are partially implemented. If the Customs Service of the Republic of Moldova has grounds to believe that the carrier or its means of transportation cannot guarantee compliance with customs laws and regulations, the customs service is authorized to allow the transit of goods with accompanying documents, provided that the means of transport is properly equipped or the goods are escorted, the means of transport is provided with accompanying documents or the goods are transited by the customs carrier, under the provisions of the Customs Code of the Republic of Moldova and the Customs Supervision Department regulations.¹⁸

The nomenclature of strategic goods and the regulations for the transit of strategic goods¹⁹ (e.g. weapons of mass destruction, materials, technology, equipment, software) are provided in Government Decision No. 606/15.05.2002, modified through Government Decision No. 204/03.04.2019, regarding the national control system of export, re-export, import and transit of strategic goods in the Republic of Moldova. The list of strategic goods is provided in Annex 3 of the above-mentioned government decision. The use of a customs convoy or customs escort is not included.

Paragraphs 16-17. Cooperation and coordination

Assessment of the implementation progress

According to publicly available information, these provisions have been partially implemented.

Recommendations

In order to complete implementation of paragraphs 16 and 17 of Article 11, the Republic of Moldova might consider the following:

- (a) Developing a policy/strategy to encourage the development of bilateral or regional transit arrangements and participation in bilateral or regional transit organizations.
- (b) Adopting legislation to provide customs with the authority to negotiate and enter into arrangements with other customs administrations and border agencies to coordinate transit operations.
- (c) Assigning responsibility for regional or bilateral cooperation on transit matters.

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- (d) Ensuring cooperation and coordination include, but are not limited to, an understanding of charges, formalities and legal requirements, as well as the practical operation of transit regimes.
- (e) Establishing a national transit coordinator function to which all enquiries and proposals by other Members relating to the good functioning of transit operations can be addressed.
- (f) Ensuring there are enough qualified staff and resources available to allow for participation in bilateral and regional transit organizations.

Relevant UNECE tools

The implementation of Article 11 can be supported by several UNECE tools, including UN/CEFACT Recommendation 18: Facilitation Measures Related to International Trade Procedures; UN/CEFACT Recommendation 36: Single Window Interoperability; and the UN/CEFACT White Paper on Integrated Track and Trace for Multi-Modal Transportation.²⁰ The UNECE Guide to Drafting a National Trade Facilitation Roadmap²¹ can contribute to advancing the implementation of the cooperation and coordination provisions.

4.2 Summary of fit-gap analysis of Category C commitments

Table 2 contains consolidated information regarding the current state of play and remaining outstanding Category C commitments, including the current status with respect to the implementation status of specific measures, further needs and recommendations. This table also specifies which recommendations are mandatory, best endeavour commitments or commitments of a mixed nature.

The table suggests various means for consideration by the Government of the Republic of Moldova, including further improving trade facilitation conditions in the country based on existing best practice experiences and taking into consideration existing tools of the UNECE Economic Cooperation and Trade (ECTD). The final implementation means are to be chosen by the Republic of Moldova, depending on existing capacities and strategic priorities.

Table 2 Outstanding needs under the Category C commitments and recommendations

TFA measure	Nature of obligation ²²	Current status	Further needs	Recommendations	Relevant UNECE ECTD tools
(1)	(2)	(3)	(4)	(5)	(6)
Article 1: Publication and Availability of Information					
Paragraph 2. Information available through the Internet 2.1 (a), (b), 1.2.2. 1, 2.3	Best endeavour	Information is available on the Trade Information Portal of the Republic of Moldova. ²³ Most of the trade-related information is made available in English.	Implement procedures for updating and reviewing the information. Provide staff with the necessary training to prepare and keep the procedures and technical guides up to date. Expand the list of available trade-related information to include, e.g. applied rates of duties and taxes; rules for the classification or valuation of products for customs purposes; penalty provisions for breaches of import, export, or transit formalities; administration of tariff quotas.	Publish information indicated in column 4. Establish processes of proper data management: (a) ensure the information available is accurate, relevant and prompt; (b) establish procedures for periodic review and updating published information. Ensure there are enough competent subject matter experts and support staff available to prepare and keep the procedures and practical guides for import/export/transit procedures up to date.	Recommendation 38: Trade Information Portals UNECE Studies on Regulatory and Procedural Barriers to Trade in the Republic of Moldova ²⁴
Article 5: Other Measures to Enhance Impartiality, Non-discrimination and Transparency					
Paragraph 1. Notifications for enhanced controls or inspections 5.1 (a), (b), (c), (d)	Mixed	The agreement on collaboration with other institutions was signed in March 2019 with the National Food Safety Agency (ANSA) on notifications on laws, technological procedures and information sharing.	Procedures for issuance of notifications based on risk	Establish procedures on (a) issuance/termination/suspension of notifications based on risk to all points of entry where sanitary and phytosanitary controls are conducted; (b) training of staff in the administration of the program, including termination of notifications; (c) issuance of notifications through the new system (to be developed) or other forms of communication (e.g. email).	ITC-UNECE Guide for Border Regulators: Managing Risk for Safe, Efficient Trade ²⁵ Working Party 6 Recommendation R on Managing Risk in Regulatory Frameworks ²⁶ Working Party 6 Recommendation S on Applying Predictive Risk Management Tools for Targeted Market Surveillance ²⁷ Working Party 6 Recommendation V on Product Non-Compliance Risks in International Trade ²⁸

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Table 2 Outstanding needs under the Category C commitments and recommendations (Continued)

TFA measure (1)	Nature of obligation (2)	Current status (3)	Further needs (4)	Recommendations (5)	Relevant UNECE ECTD tools (6)
Article 7: Release and Clearance of Goods					
Paragraph 1. Pre-arrival processing 7.1.1; 7.1.2	Best endeavour	Advance lodging of documents in electronic format for pre-arrival processing of import documentation is available.	The legislation of the Republic of Moldova that allows the goods to be cleared by both declaration of goods on paper and electronically	The customs service might further ensure the following: (a) processes/procedures of customs and other border agencies are aligned; (b) policies and procedures of customs and other border agencies aim at expediting the release of goods upon arrival.	UN/CEFACT Certificate of Conformance Electronic transmission of data exchanged between government inspection and quarantine authorities involved in border Animal traceability data exchange
Paragraph 8. Expedited shipments 7.8.1 (a), (b), (c), (d), (e), (f), (g), (h); 7.8.2 (a), (b), (c), (d); 7.8.3	Mixed	An automated system for electronic submission and processing of cargo and/or goods declaration data is available.	Further elaborating the legal framework, procedures and infrastructure for processing expedited shipments	Design a legislative basis for the provision of a financial guarantee. Design simplified procedures for expedited shipments: (a) publish conditions and procedures for the modification or termination of an authorization to use expedited release procedures; (b) define procedures for the submission of application for use of expedited release procedures; (c) ensure infrastructure and equipment (facilities and resources) are available for processing expedited shipments. Ensure ASYCUDA can accommodate the expedited release procedures.	

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Table 2 Outstanding needs under the Category C commitments and recommendations (Continued)

TFA measure (1)	Nature of obligation (2)	Current status (3)	Further needs (4)	Recommendations (5)	Relevant UNECE ECTD tools (6)
<p>Paragraph 9. Perishable goods 7.9.1 (a), (b); 7.9.2; 7.9.3; 7.9.4</p>	<p>Mandatory</p>	<p>Procedures related to the control of food products are available²⁹ and are defined in a joint order, which was signed by the customs service and ANSA in June 2022. This order sets out the mechanism for facilitating and prioritizing the export of perishable products and the process of crossing the border with these types of goods.</p>	<p>Further align the existing legal framework to requirements by, inter alia, (a) providing for procedures mandating the release of perishable goods in the shortest possible time under normal circumstances and outside the business hours of customs and other relevant authorities in exceptional circumstances and (b) allowing an importer to arrange for the proper storage of perishable goods pending their release.</p>	<p>Establish the following procedures for customs authorities and other relevant bodies: (a) expedited release of imported perishable goods; (b) clearance of imported perishable goods outside usual business hours; (c) operational procedures to ensure that examination and release of imported perishable goods are carried out as a matter of priority; (d) procedures allowing importers to remove and store perishable goods in appropriate facilities pending results of examination (including facilities located outside the customs area); (e) procedures for the clearance of goods at the importer's premises. Train customs authorities in procedures for the expedited release and clearance of perishable goods. Ensure that automated processing systems that are used for clearance of goods can accommodate procedures/data requirements for expedited release of perishable goods.</p>	<p>(6)</p>

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Table 2 Outstanding needs under the Category C commitments and recommendations (Continued)

TFA measure (1)	Nature of obligation (2)	Current status (3)	Further needs (4)	Recommendations (5)	Relevant UNECE ECTD tools (6)
<p>Paragraph 4. Single Window 10.4.1; 10.4.2; 10.4.3; 10.4.4</p>	<p>Best endeavour</p>	<p>Several major steps have been made in the process of implementation of the Single Window³⁰, including the adoption of an action plan regarding implementation of one-stop solutions (as of 2020).³¹</p>	<p>Some features of the Single Window might be improved to further facilitate trade, including (a) the scaling up of digital infrastructure; (b) the development of interoperable solutions which will streamline administrative cooperation between customs and state authorities.</p>	<p>Further areas of improvement include (a) ensuring that documents are standardized according to the Single Window implementation requirements; (b) ensuring that data are harmonized at the national level; (c) aligning data models to United Nations and WCO requirements; (d) implementing the functionality on cargo-operation services, (e.g. duty and tax refund and other similar procedures), checkpoint services, and international/regional interoperability/interconnectivity among Single Windows for customs information exchange.</p> <p>Other areas where the Single Window facility might benefit from further reforms include incorporating additional functional features such as a common business entity registration service; immigration procedures; services for processing of sampling and testing; Trader Identification Number (TIN); WCO Unique Consignment Reference number cargo identification number as well as Single Window performance management.</p>	<p>Recommendation 33: Single Window Recommendation 35: Establishing a Legal Framework for International Trade Single Window Recommendation 36: Single Window Interoperability Training Material on the Implementation of Single Window Technical Note on Terminology for Single Window and other e-platforms³²</p>
<p>Article 10: Formalities Connected with Importation, Exportation and Transit</p>					

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Table 2 Outstanding needs under the Category C commitments and recommendations (Continued)

TFA measure (1)	Nature of obligation (2)	Current status (3)	Further needs (4)	Recommendations (5)	Relevant UNECE ECTD tools (6)
Article 11: Freedom of Transit					
Paragraphs 1-3. Transit charges, regulations and formalities 11.1 (a), (b); 11.2; 11.3	Mandatory	The required legal framework providing for transit charges, regulations and formalities is available (i.e. Customs Service Order No. 310/04.08.2017)	Implementation of procedures for periodic review of transit regulations and procedures related to administrative expenses is pending.	Implement procedures stipulated in column 4. Elaborate on impact assessment procedures regarding the trade impact of any new transit charges, regulations or formalities. Ensure the customs service staff receive training to perform the above tasks.	Recommendation 18: Facilitation Measures Related to International Trade Procedures Recommendation 36: Single Window Interoperability White Paper on Integrated Track and Trace for Multi-Modal Transportation eCMR (electronic consignment note)
Paragraph 4. Strengthened non-discrimination 11.4	Mixed	Evidence on the implementation of this paragraph is not available			
Paragraphs 5-10. Transit, procedures and controls 11.5; 11.6 (a), (b); 11.7; 11.8; 11.9; 11.10	Mixed	Legislative framework is available. ³³	Provide infrastructure to reduce border congestion. Streamline applicable formalities.	Make available, where practicable, physically separate infrastructure (such as lanes, berths and similar) to reduce border congestion and facilitate transit movements. Ensure that formalities, documentation requirements and customs controls in connection with traffic in transit are not more burdensome than necessary to identify the goods and ensure fulfilment of transit requirements.	

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Table 2 Outstanding needs under the Category C commitments and recommendations (Concluded)

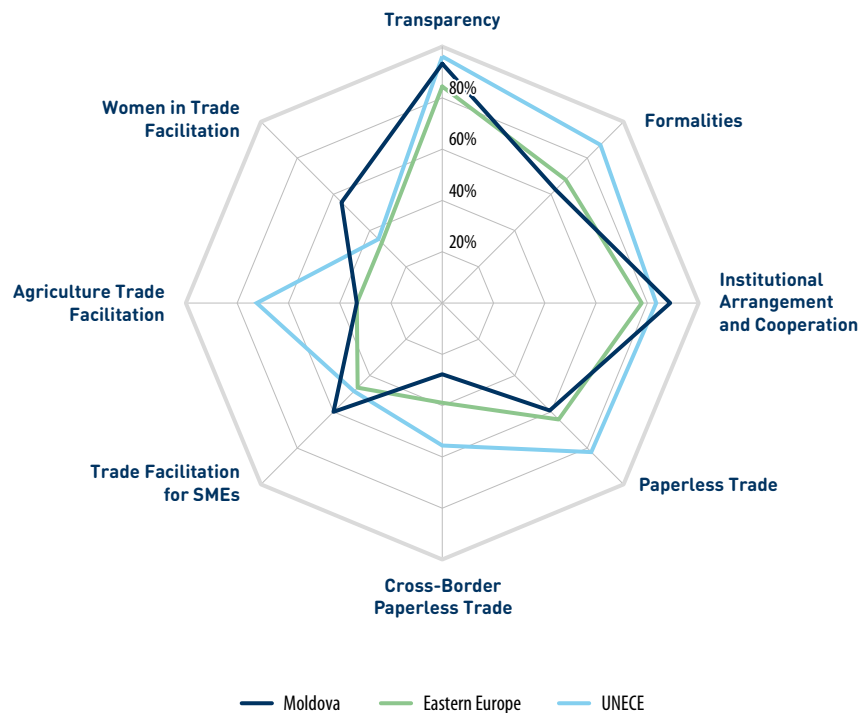
TFA measure (1)	Nature of obligation (2)	Current status (3)	Further needs (4)	Recommendations (5)	Relevant UNECE ECTD tools (6)
<p>Paragraphs 11-15. Guarantees 11.11; 11.12; 11.13; 11.14; 11.15</p>	<p>Mixed</p>	<p>The current legislation on guarantee for traffic in transit is available.³⁴</p>	<p>Developing procedures for the following: (a) discharging the guarantee without delay (b) identifying the risks that require use of customs convoy or customs escorts (besides trade of strategic goods), procedures for using customs convoys/customs escort, training on the use of customs convoys or customs escorts for traffic in transit.</p>	<p>Develop procedures specified in column 4.</p>	<p>(6)</p>
<p>Paragraphs 16-17. Cooperation and coordination 11.16 (a), (b), (c); 11.17</p>	<p>Best endeavour</p>	<p>The Republic of Moldova has signed bilateral customs treaties (83 ratified to date) and multilateral treaties (57 to date) to facilitate customs clearance procedures for goods in transit with a number of countries in the region.³⁵</p>	<p>It might be helpful to appoint a national transit coordinator to whom all enquiries and proposals by other Members relating to the good functioning of transit operations can be addressed.</p>	<p>Some practical recommendations include the following: (a) encourage the adoption of bilateral or regional transit arrangements; (b) provide customs with the authority to negotiate and enter into arrangements with other customs administrations for the purpose of coordinating transit operations; (c) establish a national transit coordinator function; (d) ensuring that there is a sufficient number of qualified staff and resources available to allow participation in bilateral and regional transit organizations.</p>	

4.3 Beyond WTO TFA per se: other trade facilitation measures

This section provides a brief overview of the implementation of a range of trade facilitation measures, going beyond the scope of measures included in the WTO TFA. The overview is based on the findings of the 2023 United Nations Global Survey on Digital and Sustainable Trade Facilitation. This Survey aims to foster a forward-looking approach to trade facilitation by encompassing an extensive array of measures capable of bolstering sustainable and resilient international trade. The 2023 edition pays special attention to sectors and groups with special needs (i.e., namely SMEs, women traders and the agricultural sector) and underscores the significance of trade digitalization, trade finance facilitation, trade facilitation in times of crisis and wildlife protection. Furthermore, the findings of the Survey could help identify emerging needs for capacity-building and technical assistance and thereby contribute to a sustainable and efficient trading environment.

The 2023 Survey found that the Republic of Moldova is slightly below the global average trade facilitation implementation rate (i.e., 69 per cent) for 31 general and digital trade facilitation measures. The Republic of Moldova has made significant progress especially with regard to transparency measures and institutional arrangements and cooperation (see Figure 11). Further progress could be made with regard to paperless trade as well as cross-border paperless trade. According to the Survey, any performance lag in the period under review (i.e., 2021-2023) could be attributed to the significant challenges and trade disruptions caused by a variety of supply chain shocks.

Figure 11 • Digital and Sustainable Trade Facilitation 2023: Moldova, UNECE regions and Eastern Europe



Source: UN Global Survey on Digital and Sustainable Trade Facilitation 2023.

In terms of the categories, which go beyond the WTO TFA, the Republic of Moldova recognizes that trade facilitation efforts should also reflect the needs of vulnerable groups, namely SMEs, the agricultural sector and women. Despite the fact that the Government acknowledges the importance of empowering these groups with the necessary support, the current implementation rates indicate that there is some room for improvement in this regard. This is particularly the case for the Agricultural Trade Facilitation and the Trade Finance Facilitation categories, both of which are only partially implemented.

Trade facilitation is, however, a step-by-step process and advancing through various groups of measures included in the Survey needs continued and sustained efforts. Among the achievements of the Republic of Moldova is the implementation of the measures in the category Women in Trade Facilitation, where the country places significantly above the average across the UNECE region. Most notably, the country reported on the significant improvement in the rate of women's participation and involvement in trade, including women's representation in the National Trade Facilitation Committee or similar bodies.

Furthermore, the country is among 14 of the 44 UNECE countries that participated in the Survey to have implemented the SMEs in AEO schemes, indicating the support that the Government provides to SMEs to ensure their increased integration in the regional and global supply chains.

Notes

- ¹ This also includes information related to the sanitary and veterinary control of goods that is subject to control by the sanitary and phytosanitary authority (i.e. Agenția Națională pentru Siguranța Alimentelor (ANSA)).
- ² Traders can download the guide to the export, re-export, import and transit of strategic goods.
- ³ ECE/TRADE/C/CEFACT/2021/INF.5
- ⁴ See https://www.legis.md/cautare/getResults?doc_id=134613&lang=ro
- ⁵ *Guide to Drafting a National Trade Facilitation Roadmap*, ECE/TRADE/420, (United Nations publication, issued by the Economic Commission for Europe, 2015).
- ⁶ *Business Process Analysis Guide to Simplify Trade Procedures*, UNNEXt, ESCAP, UNECE, ST/ESCAP/2558, (United Nations publication, 2009).
- ⁷ See https://www.legis.md/cautare/getResults?doc_id=118534&lang=ro.
- ⁸ See <https://www.ansa.gov.md/en/node/4521>.
- ⁹ See <https://www.ansa.gov.md/en/node/4290>.
- ¹⁰ *Business Process Analysis Guide to Simplify Trade Procedures*, UNNEXt, ESCAP, UNECE, ST/ESCAP/2558, (United Nations publication, 2009).
- ¹¹ EU4Digital, Support to the modernisation of the Customs Service of Moldova. Available at <https://eufordigital.eu/discover-eu/support-to-the-modernisation-of-the-customs-service-of-moldova-in-line-with-association-agreement-aa-requirements/> (accessed on 28 September 2023).
- ¹² See https://www.legis.md/cautare/getResults?doc_id=109607&lang=ro.
- ¹³ See https://www.legis.md/cautare/getResults?doc_id=124924&lang=ro.
- ¹⁴ See https://www.legis.md/cautare/getResults?doc_id=124510&lang=ro.
- ¹⁵ WTO Trade Policy Review, Report by the Secretariat (15 June 2022). Available at https://www.wto.org/english/tratop_e/tpr_e/s428_e.pdf.
- ¹⁶ ECE/TRADE/C/CEFACT/2021/INF.5
- ¹⁷ The principal is the legal person, registered with the customs authority, who expresses their will to carry out a transit operation by submitting the transit declaration provided for this purpose and who assumes the responsibility and the financial guarantee, or other type of guarantee, provided by the legislation of the operation of transit.
- ¹⁸ Customs Code of the Republic of Moldova No. 1149-XIV of 20 July 2000, (modified 29 December 2022, entered into force 1 January 2023), Article 141. Enforcement of the Customs Legislation on Transit of Goods with Accompanying Documents.
- ¹⁹ See https://www.legis.md/cautare/getResults?doc_id=135042&lang=ro.
- ²⁰ *White Paper on Integrated Track and Trace for Multimodal Transportation*, United Nations Centre for Trade Facilitation and Electronic Business (United Nations publication issued by the United Nations Economic Commission for Europe, 2022).
- ²¹ *Guide to Drafting a National Trade Facilitation Roadmap*, United Nations Economic Commission for Europe, ECE/TRADE/420, (United Nations publication, 2015).
- ²² For more details see Table 1.
- ²³ For more information see the Trade Information Portal of the Republic of Moldova website (<https://trade.gov.md/en>).
- ²⁴ *Regulatory and Procedural Barriers to Trade in the Republic of Moldova, Needs Assessment*, ECE/TRADE/433 (United Nations publication issued by the Economic Commission for Europe, 2017).
- ²⁵ International Trade Centre (2022). *Managing Risk for Safe, Efficient Trade*. ITC, Geneva.
- ²⁶ See <https://unece.org/trade/wp6/risk-management>.
- ²⁷ Ibid.
- ²⁸ Ibid.
- ²⁹ Government Decision No. 938/2018 approving the Regulation on the State Border Crossing of Goods Subject to Control by the National Food Safety Agency and its 4 annexes, available at https://www.legis.md/cautare/getResults?doc_id=118534&lang=ro.
- ³⁰ It includes the project “Support to the modernisation of the Customs Service of Moldova in line with Association Agreement (AA) requirements” (2017-2019 – 1 million EUR) to assist in preparation for the implementation of the single window concept. Available at <https://eufordigital.eu/discover-eu/support-to-the-modernisation-of-the-customs-service-of-moldova-in-line-with-association-agreement-aa-requirements/>.
- ³¹ It was proposed that all public authorities issuing permits use a single information system to manage the process of receiving requests for permits; communication and exchange of information between the public authorities involved in the issuance of permits; and the standardization of application processing processes and release of permissive acts.

³² ECE/TRADE/C/CEFACT/2017/10.

³³ Available at <https://trade.gov.md/en/articles/transit-procedures>.

³⁴ Ibid. See also The Order No. 310/04.08.2017 on the approval of the methodological norms related to the application of the transit system on the territory of the Republic of Moldova, which specifies the guarantor is released from his/her commitments when the transit operation is confirmed as completed at destination. This order provides details on comprehensive guarantees for multiple transactions for the same operators. Details are available in section 2 – Guarantees.

³⁵ Available at <https://customs.gov.md/ro/articles/tratate-internationale-in-domeniul-vara>.

CONCLUSION AND THE WAY FORWARD

This assessment reviewed the trade facilitation framework and the status of implementation of WTO TFA commitments in the Republic of Moldova.

The Republic of Moldova has achieved significant progress in the WTO TFA implementation. As of March 2023, the implementation rate of the WTO TFA commitments of the Republic of Moldova stands at 77.3 per cent. At the same time, it should be recognized that the time frame to implement different commitments has been set from February 2017 to December 2025. Notably, the de facto implementation rate might be even higher since the Republic of Moldova had already implemented some C type commitments (due in December 2025) as presented in this study and has yet to notify the WTO about their implementation. The implementation of the WTO TFA outstanding commitments and the trade facilitation measures that are not part of the WTO TFA (additional trade facilitation measures for SMEs and women in trade, agricultural trade facilitation, trade finance facilitation) could enable the Republic of Moldova to further harness the potential of trade as an engine for sustainable development to directly contribute to the achievement of the United Nations Sustainable Development Goals and to increase the country's participation in regional integration processes and global value chains.

The implementation of the WTO TFA and the additional trade facilitation measures could be accelerated by using relevant UNECE tools, including UN/CEFACT instruments¹ that provide best practices for simplification, harmonization and standardization of regulatory practices and digitalization, including cross-border exchange of electronic trade data. These are important areas of the UNECE's work in light of its 70th Commission session cross-cutting topic on the digital and green transformations.

The findings could assist the Republic of Moldova in its dynamic journey towards digital and sustainable trade facilitation and in delivering on the 2030 Agenda for Sustainable Development. The UNECE stands ready to support the implementation of the trade facilitation reforms in the Republic of Moldova.

Notes

¹ UN/CEFACT Recommendations 18, 33, 36, 37, 38, 40, 41, and 42, as well as the UNNExT, ESCAP, UNECE Business Process Analysis Guide to Simplify Trade Procedures, among others.

Annex 1. Overview of WTO TFA notification requirements and commitments

Section I is comprised of 12 articles, which are further subdivided into approximately 36 separate technical measures. These technical measures are rules, processes and procedures that WTO member governments are required to implement.

Article 1: Publication and availability of information

Article 2: Opportunity to comment, information before entry into force, and consultations

Article 3: Advance rulings

Article 4: Procedures for appeal or review

Article 5: Other measures to enhance impartiality, non-discrimination and transparency

Article 6: Disciplines on fees and charges imposed on or in connection with importation and exportation and penalties

Article 7: Release and clearance of goods

Article 8: Border agency cooperation

Article 9: Movement of goods intended for import under customs control

Article 10: Formalities connected with importation and exportation and transit

Article 11: Freedom of transit

Article 12: Customs cooperation.

TFA Section I, which includes the above 12 articles, focuses on expediting the release and clearance of goods by customs authorities, including goods in transit. This section also includes measures that relate to primary disciplines, or tenets, of trade facilitation reform, including those on transparency (e.g. the publication and availability of information); improved governance (e.g. procedures for the appeal and review of customs rulings); border clearance (e.g. expedited procedures for the release and clearance of goods); and the movement of goods (e.g. freedom of transit past border checkpoints). Together, these measures are intended to reduce the cost of border delays and facilitate the movement of goods through global value chains. Upon ratification and over time, countries are required to notify the WTO when they have implemented specific provisions in the TFA. In total, Section I of the TFA contains 12 articles, representing 36 individual measures and 238 notifiable items.

Section II of the agreement includes Articles 13-22 and contains the provisions and conditions concerning the flexibility in implementation arrangements for developing and least developed countries (otherwise known as “special and differential treatment” (SDT)). To benefit from SDT, a member must categorize each provision of the agreement, as defined below, and notify other WTO members of these categorizations in accordance with specific timelines outlined in the agreement.

Category A: These are provisions that the Member will implement by the time the agreement enters into force (or in the case of a least developed country member, within one year after entry into force).

Category B: These are provisions that the Member will implement after a transitional period following the entry into force of the TFA.

Category C: These are provisions that the Member will implement on a date after a transitional period following the entry into force of the agreement and requiring the acquisition of assistance and support for capacity-building.

For provisions designated as categories B and C, the Member must provide dates for the implementation of the provisions.

Section III includes Articles 23 and 24, related to institutional arrangements and establishes a WTO Committee on Trade Facilitation to oversee the operation and implementation of the agreement. This Committee is open for participation by all WTO Members. In addition, Section III requires each WTO Member to establish a national committee on trade facilitation.