



WOMEN'S LEGISLATIVE AGENDA ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT FROM THE REPUBLIC OF MOLDOVA





WOMEN'S LEGISLATIVE AGENDA ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT FROM THE REPUBLIC OF MOLDOVA

Chisinau, 2022



The Alliance for Women’s Economic Empowerment from the Republic of Moldova has developed the Women’s Legislative Agenda within the “Reducing Barriers to Women’s Economic Empowerment” Project, implemented under the Women and Girls Empowered (WAGE) Consortium led by the American Bar Association Rule of Law Initiative (ABA ROLI) in partnership with the Center for International Private Enterprise (CIPE), and funded by the United States Government. The opinions expressed in this Paper belong to the Alliance for Women’s Economic Empowerment, and do not necessarily represent the WAGE, CIPE, ABA ROLI or the US Government views.

AUTHORS:

- | | |
|----------------------|---|
| Ion Butmalai | Programme Director, “Digital Transformation and Economic Analysis”, Centre for Enterprise and Economic Policy |
| Viorel Pirvan | Legal Expert, Centre for Enterprise and Economic Policy |
| Arina Turcan | Lawyer, Women’s Law Center |

Table of contents

Abbreviations.....	5
Alliance for women's economic empowerment from the Republic of Moldova.....	6
Introduction.....	18

ECONOMIC PRIORITIES OF THE ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT

1. IMMEDIATE ECONOMIC PRIORITIES.....	21
1. Incentives to engage businesses in rendering early childhood education services.....	21
A. Tax facilities/incentives for child care services	25
B. Tax facilities/incentives for companies that would create/build nurseries and kindergartens.....	25
C. Nursery and Kindergarten Vouchers.....	26
D. Facilities and care measures for <10-year old pupils in the summertime...26	
2 Incentives to involve the business community in rendering social services.....	28
A. Measures to develop palliative services	31
B. Measures to develop care services for older people	32
C. Measures to develop care services for people with disabilities.....	32
3 Incentives to rescue the business affected by crises	33
A. Reducing VAT for SMEs or their exemption from VAT	35
B. Exempting the micro-undertakings from the corporate income tax	36
C. Exempting the micro-undertakings from the settlement of some local fees/duties.....	36
D. Suspension of state inspections/checks	36
E. Government should develop and implement a Plan of crisis-response actions to support the micro-undertakings	37

2. MEDIUM-TERM ECONOMIC PRIORITIES	38
1. Increase SME Access to Finance	38
A. Boost the use of the Loan Guarantee Fund	39
B. Facilitate the loan contracting process	39
C. Implement financing tools with subsidised interest	39
2. Support Start-ups and Scale-ups	40
A. Tax Facilities for Start-ups	40
B. Business Angels Legislation.....	40
3. Curb bureaucracy and revise the system of services intended for businesses	40
A. Chargeable high-quality public services	41
B. Implement One-stop Shops	42
3. ECONOMIC PRIORITIES TO MITIGATE THE IMPACT OF WAR IN UKRAINE.....	42
A. Lower VAT for foodstuff and energy products.....	42
B. Reduce the excise duties on energy products	43
C. Reduce customs duties on raw materials and materials that are not produced in Moldova, on those used by Moldovan companies to manufacture their own products.....	43
D. Tax facilities/incentives for companies that donate goods and services to refugees (currently, such donations are not recognised from the fiscal standpoint).	43
4. PRIORITIES OF THE ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT IN THE AREA OF PROMOTING GENDER EQUALITY	44
1. Carry out an awareness raising campaign on discrimination at work.....	44
2. Carry out an information campaign on workplace harassment	48
ANNEX	53

Abbreviations

CEEP	Centre for Enterprise and Economic Policy
CPD	Centre “Partnership for Development”
LLC	Limited Liability Company
NBS	National Bureau of Statistics
ODIMM	Organisation for the Development of SMEs Sector
SMEs	Small and medium-sized enterprises
UNDP	United Nations Development Programme
VAT	Value-added tax
WAGE	Women and Girls Empowered



ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT FROM THE REPUBLIC OF MOLDOVA

E-mail: secretariat.abilitareeconomica@gmail.com

Phone #: +373 60610005

The Alliance for Women's Economic Empowerment from the Republic of Moldova was established in December 2021 aiming to promote the mitigation of gender inequalities in the area of entrepreneurship and on the labour market. The Alliance Mission is to lower the barriers to women's development and economic empowerment. The Alliance is an apolitical and informal network of public associations. Nowadays, it is represented by 11 members – business associations, businesswomen's associations and civil society organisations advocating women's rights throughout the country, including Transnistria and Autonomous-Territorial Unit (ATU) Gagauzia. All business associations, women's associations and civil society organisations that identify themselves as supporters of the Alliance Mission and wish to contribute to the promotion of its priorities may submit an affiliation application.

In order to accomplish the Mission for which it was established, the Alliance has developed this Women's Legislative Agenda, which explains the immediate priorities adopted and approved by its members. Other subject-matters underpinning the Mission accomplishment may be subsequently included in the List of Priorities upon the members' proposal and by the decision of the majority.

ALLIANCE MEMBERS:



ASSOCIATION OF WOMEN ENTREPRENEURS OF MOLDOVA (AFAM)

Web: <https://afam.md/>

Phone #: +373 76 767670

E-mail: afammoldova@gmail.com

Address: 65 Mitropolitul Varlaam Street, Chisinau Municipality, Moldova, MD-2001

The Association Mission is to support the female growth capacity in the area of entrepreneurship and management in Moldova. AFAM promotes businesswomen's empowerment and women's advancement for leading positions as an important factor of local and national economic development by means of:

- Encouraging and advancing the women wishing to launch their own business;
- Supporting the development and growth of businesses launched by women;
- Increasing the number of women holding managerial positions at various levels;
- Contributing to the development of an entrepreneurial ecosystem favourable for women.

During its eight years of activity, AFAM completed 250 events and projects for its members and public at large, having various institutions, national and international business associations, external donors in Moldova and business community key actors as partners.

At present, the Association has got more than 70 members.



BUSINESSWOMEN ASSOCIATION OF BALTI MUNICIPALITY (AFA BALTI)

Web: <https://www.facebook.com/asociatia.womenlordeafaceri>

Phone #: +373 691 13950

E-mail: afabalti@yahoo.com, tatianapuga19@gmail.com

Address: 158/1 Bulgara Street, Balti, Moldova

The Businesswomen Association of Balti Municipality has the Mission to strengthen the business community in the Northern part of the country in order to raise new generations of well-trained businesspersons, who are capable to develop the region communities and boost its economic growth. The AFA Balti vision is to support the launch and development of classic and social businesses by means of the Business Centre activity in the Northern region of the country. Since 2017, AFA Balti administers the most competitive Business Centre in the Northern region of Moldova, having a strong professional team, area-bounded programmes, innovative, diversified and targeted services, providing high-quality support to start-ups and full-fledged businesses.

Over the years, the Businesswomen Association succeeded in developing its technical capacities and acquiring a great deal of experience to boost entrepreneurship, including social entrepreneurship through the management of the “Business Skills Hub” created thanks to the East Europe Foundation support and the EU funding. At the level of Balti Municipality, AFA managed to create its own benchmark by rendering business training, advisory and mentoring services. In 2019 AFA Balti created a Social Insertion Enterprise “Credem Eco” that works in several areas, including catering, sewing workshop, and pastry products.



ASSOCIATION OF BUSINESS AND PROFESSIONAL WOMEN (BPW) OF MOLDOVA

Web: www.bpw.md

Telefon: +373 22 549316, +373 69643763,

E-mail: info@bpw.md, chicua@mail.ru

Adresă: str. Columna, 61, Chișinău, Republica Moldova, MD-2012

The BPW Mission is to protect the socio-economic rights of women and children, and develop the professional and leadership capacity of women at all levels. The Association Vision is to promote the businesswomen through their participation in conferences, international fairs or other activities. The BPW affiliated associations contribute to connecting the women around the world to grant mutual economic support. Moreover, BPW provides individual development programmes to its members, such as mentoring, training in the area of leadership and e-Business. The Association works in several areas, such as economy, environment, women's and children's rights, IT, and health.

The Association also renders economic, legal, and psychological consulting services. It has implemented a number of projects dealing with the training of young people, women of various ages, start-ups; environmental projects on access to quality water and protection of women's health. As for the projects in the area of children's rights, the Association works hard to uproot poverty, combat school and domestic violence.

Currently, the Association has got 60 members.



LIGHT INDUSTRY EMPLOYERS' ASSOCIATION OF MOLDOVA (APIUS)

Web: <https://www.apius.md/>

Phone #: +373 69 027 914, +373 69 252 911

E-mail: office@apius.md

Address: 9/19 Studentilor Street, Chisinau, Moldova

The APIUS Mission is to represent, promote, support and protect the common economic, technical and legal interest of its members, of light industry representatives, by having augmented their competitiveness both on the domestic and international markets. The Association Vision is to develop stronger fashion industry in Moldova by increasing the added-value of domestic fashion products and disseminate the “Made in Moldova” label around the world. At present, the APIUS members cover all light industry areas: garments for women and men, clothes for children, linen, footwear, leather goods and accessories.

APIUS renders the following services to its members:

- Facilitating B2B meetings;
- Organising and hosting specialised trainings;
- Facilitating the participation in the world trade;
- Organising study visits;
- Lobby and advocacy;
- Providing advisory services.

Nowadays, the Association has got circa 90 members.



ASSOCIATION OF ENTREPRENEURS WITH DISABILITIES OF MOLDOVA “EUROPEAN SKILLS WITHOUT LIMITS” (AEFL)

Web: <https://www.facebook.com/AEFL.MD>

Phone #: +373 60213645

E-mail: office.aefl@gmail.com

Address: 21/2 Socoleni Street, office 2, Chisinau City, Moldova

AEFL was founded on 8 December 2014 with the aim to:

- Represent the social, economic and political interests of people with disabilities in Moldova, and foster society awareness concerning the issues encountered by entrepreneurs and community leaders with disabilities;
- Support the entrepreneurial and managerial education and training of people with disabilities;
- Encourage private initiative amongst people with disabilities, counsel people with disabilities who wish to change their socio-professional status;
- Develop social activism and entrepreneurship amongst people with disabilities and promote European democratic values based on equal opportunities for all;
- Improve the policy and actions undertaken in the area of: labour market, education, health, justice, culture or any other area that might bring safety and protection to people with disabilities;
- Strengthen political participation and economic empowerment of people with disabilities, in particular, of women with disabilities, as a social category that faces double discrimination.

The Association has got now 74 members.

Web: <https://ro.cape-md.org/>

Phone #: +373 696 82 642

E-mail: office@cape-md.org

Address: 45B Pushkin Street, Chisinau City, Moldova, MD-2005

CEEP is an Analytical Centre established in 2019 by a team of Economists devoted to Macroeconomics who decided to employ their knowledge and experience with the aim to underpin market economy in Moldova. CEEP philosophy is based on the principle that a market economy may develop and flourish only when it relies on a strong private sector, having fostered entrepreneurial mindsets. The economic, political and social ecosystem shall combine the principles of workable democracy and market economy if the private initiative is to succeed.

CEEP implements the following programmes:

- Corrosive Capital;
- Political Economy and National Security;
- Digital Transformation and Economic Analysis;
- Corporate Governance and Public Finance.

CENTRE “PARTNERSHIP FOR DEVELOPMENT” (CPD)

Web: <https://progen.md/>

Phone #: +373 22241393

E-mail: cpd@progen.md

Address: 13 Armeneasca Street, Chisinau City, Moldova, MD-2012

CPD promote the gender equality values as an Open Society component, aiming to build a genuine gender partnership. CPD pleads to put in place a community that grants equal perspectives and opportunities to its members, a society where women and men are citizens with full rights, and able to deal with the problems by common consent, equally enjoy the new opportunities and fully engage in political, economic and social activities.

CPD implements the following programmes:

- Labour Market;
- Equal Pay;
- Participation and Leadership;
- Women, Peace and Security;
- Policy Granting Equality;
- Participation of Women and Men in Political Life.



CENTRE OF SOCIAL AID FOR WOMEN AND FAMILIES “STIMUL”

Web: <http://www.stimulmd.org/>

Phone #: +373 60165416

E-mail: office@stimulmd.org

Address: 8 Molodejnaia Street, Ocnita Town, Moldova

The Mission of NGO “Stimul” is to curb violence against women, children, teenagers and elderly (60+) by offering them professional support, strengthening their individual capacity and raising society awareness concerning their rights, gender equality and domestic violence.

NGO “Stimul” carries out its activity in the following areas:

- Shaping public opinion regarding the inadmissibility of cruel treatment within families and preventing domestic violence;
- Providing direct psycho-social and legal support to women – victims of domestic violence;
- Implementing counselling and correction programmes for family aggressors. Those people who were violent against their family are aware and change their violent and dominant behaviour with non-violent communication, self-control, and mitigation of their aggression towards relatives and friends;
- Developing legal culture, education support for adults and elderly;
- Providing support for interdepartmental and inter-sector cooperation, having involved women – victims of domestic violence.

CENTRE FOR CIVIC INITIATIVE DEVELOPMENT AND SUPPORT “REZONANS”

Web: <https://resonancengo.org/>

Phone #: +373 69300076

E-mail: civicinitiatives@gmail.com

Address: 17 Lenin Street, Tiraspol Town, Transnistria, Moldova, MD-3300

NGO “Rezonans” works to prevent and combat domestic violence through awareness raising campaigns, legal, psychological and social support provided to victims of domestic violence, granting shelter and capacity building for professionals. The Organisation Mission is to increase the population civic commitment and accountability of holders of obligations to ensure the rights and address social issues of women and vulnerable categories of the population from Transnistria.

NGO “Rezonans” implements the following programmes:

- “Assistance Centre for Women”;
- Economic Support for Women;
- Institutional Development of NGOs and Regional Development;
- Developing Children-friendly Mechanisms;
- Department of Research Programmes and Projects.



NGO “VESTA”

Web: <https://www.vestagagauzia.md/>

Phone #: +373 60122508

E-mail: vesta.gagauzia@gmail.com, info@vestagagauzia.md

Address: 58 Pobeda Street, “Comrat City” Trade Centre, 4th floor, office 415, Comrat Municipality, Moldova

The Mission of NGO “Vesta” is to increase the welfare of women, youth and children, promote observance of their rights, strengthen their individual capacity to actively engage in public and community development. The Organisation goals are as follows: improve the position of women in the social, economic and cultural life; provide assistance to families with many children and to disadvantaged people; disseminate information and provide assistance aimed at infrastructure, economic, social and cultural development of ATU Gagauzia; foster the region democratic transformation through social inclusion of women and young people; carry out awareness raising activities concerning the work transparency of local and regional authorities; advocacy to prevent domestic violence against women and girls.

NGO “Vesta” implements the following programmes:

- Supporting activism amongst young people;
- Combating domestic violence;
- Fostering organisational development.



NGO “SOCIAL AND LEGAL INNOVATION CENTRE “WOMEN’S INITIATIVES”

Web: <http://www.womenin.org/>

Phone #: +373 533 52764, +373 778 52764

E-mail: jenskieinitsiativi@mail.ru

Address: 57 Manoilov Street, 1st floor, Tiraspol Town, Transnistria, Moldova

NGO “Women’s Initiatives” has got the Mission to promote observance of rights and address social problems of men, women, children affected by human trafficking, domestic violence, as well as of categories of people at risk. The Organisation target group may enjoy free-of-charge services as follows: legal services, psychological counselling, social assistance, business development, etc.

The NGO implements four basic programmes:

- Awareness raising and preventive measures to develop a socially accountable society;
- Increasing and enhancing social resilience of Transnistrian residents to cope with migration flows;
- Alpha and Omega of successful entrepreneurship; and
- Reintegration of people in distress.

Introduction

A primary requirement for the country economic growth and development is to empower the women to fully and equally participate in entrepreneurship along with the men. Nonetheless, gaps persist in women's engagement in economic life, with specific obstacles and difficulties, including preconceived ideas to quit professional/occupational life in favour of family life. These gaps have deepened as a result of world-wide and regional crises, which have had a major impact on business communities and on women's opportunities.

Moldova, through various regulatory acts, strategies and programmes, committed itself to ensure and promote equal access and fair participation of women in all life areas, including entrepreneurship and employment.

Law No. 5/2006 on ensuring equal opportunities for women and men shall entitle women and men to exercise equal rights in all spheres of life, including the economic area. Women empowerment and ensuring real equality between women and men in Moldova is the main goal of the Strategy for ensuring equality between women and men in Moldova for 2017-2021 and of the Action Plan for Strategy implementation. The new National Development Strategy "Moldova 2030" envisages female entrepreneurship as a national priority, comprising activities aimed to encourage and support women's participation in economic life through the National Development Strategy "Moldova 2020" tackled this issue to a lesser extent. The same priority, with specific actions to support female entrepreneurship has been included in the SME Development Strategy for 2012–2020. The EU-RM Association Agreement also covers such

goals as ensuring equal opportunities for men and women, as well as combating all types of discrimination.

The Ministry of Economy has developed and submitted for discussions a midterm (5 years) public policy document intended for SME development – the National Programme Concept for Promoting Entrepreneurship and Increasing Competitiveness for 2022-2026. Along with the intervention priorities included in the Concept and aimed to improve the SMEs regulatory framework, develop the entrepreneurship and innovation ecosystem, expand the enterprise access to finance, etc., the Action Plan will comprise measures aimed at fostering female entrepreneurship. At the same time, a 2022 Road Map has been devised with the purpose to cut down the regulatory burden on SMEs. It is a short-term (one year) operative document, comprising seven immediate and short-term solutions intended for SMEs.

In order to support economic empowerment of women, the Economic Council Secretariat by the Prime Minister of Moldova developed a Road Map that pursues five major goals: 1) Remove the barriers to equal access to resources; 2) Provide education, develop competences and skills; 3) Promote female entrepreneurship; 4) Improve access to labour market; 5) Strengthen partnerships with the private sector in implementing women empowerment principles. An ad-hoc working group on women economic empowerment and gender equality acting within the Economic Council would scrutinise the Road Map developments.

Several state programmes and entrepreneurship supporting tools were developed and implemented over the years, female entrepreneurship inclusive. One could mention the Loan Guarantee Fund for SMEs, managed by ODIMM, which offers financial guarantees for loans contracted by entrepreneurs, or “Women in Businesses” Programme, which provides investment grants and relevant services for the development of businesses managed by women. During 2020-2022

the Moldovan Government approved a number of measures aimed to mitigate the crisis effects on the business community, such as: VAT reimbursement programme; interest subsidising programme; temporary unemployment subsidising programme; expanding the deadlines for economic activity reporting; postponing the reporting and payment of taxes and fees/duties; lowering VAT for HoReCa; allowances paid to employees; partial compensation of the time not worked, etc.

Despite the regulatory framework and programmes in place aimed to support gender equality and integration of women in the economic sector, they still encounter a range of obstacles. According to the Preliminary Analysis of the Situation in Moldova from the Inclusiveness and Gender Equality Perspective, employed women make up 44.6% relative to 49.4% of employed men; in 2018 the gender pay gap equalled to 14.4%; the share of women in the total number of entrepreneurs reached 27.5% only; while 63% of women aged >15 years reported they were subject to at least one form of domestic violence (physical, psychological or sexual) in their life.

The Alliance for Women's Economic Empowerment of Moldova advocates all actions and measures referred to in the policy documents and programmes supporting female entrepreneurship. At the same time, the Alliance has identified and will promote further a number of priorities targeting the business area and gender equality with the aim to reduce the barriers impeding the Moldovan women to enjoy equal opportunities and rights. The priorities and solutions will be included in the Women's Legislative Agenda developed by the Alliance.

Economic Priorities of the Alliance for Women's Economic Empowerment

1

IMMEDIATE ECONOMIC PRIORITIES

1 Incentives to engage businesses in rendering early childhood education services

Significant gender inequalities have been recorded on the labour market, either public or private, where women are those disadvantaged and affected. The Gender Inequality Index in Moldova, the annual data offered by the NBS and the studies¹ developed over the last years confirm this reality and trend. Women's participation and employment rates are considerably lower relative to the men situation.

1 [UNEQUAL WORK! A gender gap analysis on the labour market from the perspective of employers, employees and unemployed people](#), CPD.

[UNEQUAL WORK DURING THE PANDEMIC A gender gap analysis on the labour market during the pandemic](#), CPD.

[Inequalities on the labour market, key trends on both banks of Nistru River](#), IDIS "Viitorul" and ERRD.

[Analytical Report on women and men participation in entrepreneurship](#), Rodica Nicoara.

One of the reasons behind the women's withdrawal from the labour market is the 'prevailing' engagement of women in child care, in particular of children of ante pre-school age. As a result, 69% of women having children aged 0 – 3 years (in comparison with 12% of men) neither had a paid job nor were seeking a paid job in 2020². The situation is similar for women with children aged 0-6 years, with an employment rate of only 35.5%.

Although certain legislative measures were undertaken aiming to facilitate women' (parents') access to the labour market, the situation remained unchanged. In fact, through the amendments³ brought to Law No.289/2004 on allowances for temporary incapacity and other social assistance benefits, the parents have two options to select the child-care period without decreasing the overall benefit amount. Likewise, the amendment⁴ of the Education Code of Moldova changed the age of admission of children at nurseries (0-2 years) and kindergartens (2-6/7 years).

The issue tackled above has got direct points of contact with the limited access to services provided by public and private early childhood education institutions (nurseries and kindergartens). In this case, the insufficient number of such institutions and the limited number of places available within them, especially in the urban area, inconvenient work schedule, make it difficult for women to get employed or return to work. For example, in 2020, on the average, only 11% of the total number of children aged up to three years were enrolled in early childhood education institutions⁵, with even a lower rate in Chisinau Municipality (circa 8.9%).

2 [“Generations and Gender Survey](#), UNPF.

3 [Law No. 311/2018 amending Law No. 289/2004 allowances for temporary incapacity for work and other social assistance benefits](#)

4 [Law No. 269/2018 amending the Education Code of Moldova No. 152/2014](#)

5 [NATIONAL FUND OF NURSERIES A decisive step for combining family and professional life](#), CPD.

Under the circumstances where the state and the local public authorities (LPAs) do not have enough funds to create, expand, improve and maintain the nursery services, the solutions could be brought by the business community. The economic operators are interested in offering such services, as well as other types of optional services, in order to retain the employees – the parents of toddlers. Nonetheless, to accomplish this, certain supporting measures and incentives are required on behalf of central and local public authorities.

The existing Studies⁶ suggest four options targeting employment and reemployment of parents with children that may ensure a balance between the needs of employed people with toddlers (<3 years old) and the employers' needs. Hence, it is suggested to:

a. Create a special arrangement that covers:

- ▣ *either the establishment of a centre with part-time work schedule (up to 4-5 hours, with educational programme and involved responsible staff, providing meals and sleep options);*
- ▣ *or the establishment of a service (with flexible work schedule, up to 3-4 hours, with no meals and sleep options or an employed person who goes to the kindergarten, takes the children, brings them to their parents work-place and takes care of them until the end of parents' work schedule);*

b. Set up a new legal person (LLC, NGO, private institution that renders early childhood education services);

c. Fund nursery services that include:

- ▣ *either the provision of nursery vouchers (a pattern similar to the mechanism described by Law No.166/2017 on food vouchers),*

6 [How to help create parent-friendly jobs. Four options for child care services than can be granted by employers](#), CPD.

- ▣ *or funding through the use of “1+1” pattern (part of expenses for those services are covered by the employer, and the remaining amount – by the parent /guardian).*

d. Set up a public-private partnership in the area of education services (using public space to build a nursery or enjoy certain facilities at the education institutions already in place).

Interventions in the regulatory framework are required to implement these options. Some of them have been recently implemented, such as the expressly regulated⁷ employer’s right to provide child care services to employees with children aged up to three years, at the unit level, bearing all the relevant costs at the expense of the corresponding unit.

The Government plans to approve the regulatory framework needed to apply those provisions in practice. Other interventions are necessary as well, like approving the regulatory act and the mechanism to grant nursery vouchers by employers, revising the regulatory requirements in force referring to the operation of early childhood education institutions and, eventually, streamlining those requirements (the standard Regulation for the organisation and operation of early childhood education institutions⁸ and the Sanitary Regulation for early childhood education institutions⁹).

As per the vision of the Alliance for Women’s Economic Empowerment, in order to stimulate the involvement of businesses in rendering early childhood education services, tax incentives/facilities on behalf of the state and/or LPAs shall be identified.

7 [Law No. 46/2022 amending certain regulatory acts.](#)

8 [Ministry of Economy Written Order No. 254 of 11.10.2017.](#)

9 [Government Decision No. 1211 of 04.11.2016.](#)

A. TAX FACILITIES/INCENTIVES FOR CHILD CARE SERVICES

As it has been already noted, the recent legislative amendments provide the employers with the possibility to grant child (< 3 years old) care services to employees within the undertaking, while the Government should approve the needed regulatory framework to apply those provisions in practice.

However, in order to motivate the business community to create and offer such child care services, the State shall:

- a) amend Article 24 of the Tax Code to expressly indicate that the expenses related to the construction and maintenance of educational centres within undertakings, and to obtaining authorisations thereof shall be subject to deduction;
- b) amend Article 103 of the Tax Code for VAT exemptions with no deduction for the imports of goods needed to establish and maintain educational centres within undertakings;
- c) amend the regulatory framework in force and introduce provisions regulating the nursery vouchers.

Moreover, upon the adoption of the annual local budget and local fees/duties, the LPAs may: exempt the economic operators from partial or full settlement of certain local fees/duties, depending of the entrepreneurs' area of activity, when they establish and maintain educational centres within their undertakings.

B. TAX FACILITIES/INCENTIVES FOR COMPANIES THAT WOULD CREATE/BUILD NURSERIES AND KINDERGARTENS

In fact, the economic operators have the right and the possibility to establish LLC, NGO, private institutions that would render early childhood education services. Such endeavours could be underpinned through:

- a) the same tax facilities/incentives mentioned above in case of setting up a child care service within the undertaking;
- b) amending Article 15 of the Tax Code to foresee the use of zero rate on corporate income reinvested by legal persons to create nurseries and kindergartens;
- c) providing an one-off fixed amount by the State for each place created/ made available by the economic operator in the nursery and kindergarten.

C. NURSERY AND KINDERGARTEN VOUCHERS

At the initial stage, it would be appropriate to approve the regulatory act and the mechanism for providing nursery/kindergarten vouchers by employers, a pattern similar to the mechanism described by Law No.166/2017 on food vouchers.

The next stage implies granting tax facilities for nursery/kindergarten vouchers, used as payment to settle the fees charged by the nursery/kindergarten attended by the employee's child. To this end, it should be required to:

- a. amend Article 24 of the Tax Code to expressly indicate that the expenses related to nursery/kindergarten vouchers provided to employees with the aim to compensate the costs associated with nursery/kindergarten services shall be subject to deduction.

D. FACILITIES AND CARE MEASURES FOR <10-YEAR OLD PUPILS IN THE SUMMERTIME

During the summer recess, many children stay at home alone while their parents continue to work. Respectively, within these periods, the parents face the problem of children's oversight, in particular, of primary school children. The services in place, such as summer camps, are too expen-

sive, and cannot be afforded by many families. By analogy, during the COVID-19 pandemic, when schools were shut down as pandemic preventive measures to mitigate the spread of infection, and the pupils started their online learning, many parents, mostly women, were forced to quit their job or work remotely to be able to take care of their children¹⁰.

In this regard, it is necessary to introduce the following measures:

- a. Establish, build up and foster partnerships among undertakings, LPAs and education/cultural institutions within the localities to involve them in rendering child care services during the summertime, educate and help them acquire knowledge/skills (having engaged the institution teaching staff and spaces, etc.).

During the summertime, the local education/cultural institutions could implement various educational programmes intended for children under the age of 10. The national regulatory framework foresees the establishment of partnerships between the education/cultural institutions and the business environment (Article 8 of the Education Code, Paragraph 39 of the framework Regulation on organising and operation of museums, Article 10 of the Law on Libraries No.160/2017). The LPA should act as the process Facilitator, as well as Coordinator and Implementer, having secured, through dialogue and support, the provision of such services by the education/cultural institutions.

- b. Improve the regulatory framework to secure partnerships between undertakings and LPAs to assign certain spaces and/or lands under the public ownership of administrative-territorial units, with the aim to create some child care services during the summertime, educate and help them acquire knowledge/skills. In particular, it is necessary to amend Article 10 (4) and (8) of Law No.121/2007 on administration and denationalisation of public property in order to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.

10 Study "[Unequal work during the pandemic](#)" CPD, 2021.

Under the legal provisions in force, it is not allowed to lease the administrative-territorial unit assets to natural or legal persons with private capital. Such provisions constitute a legal barrier, which is readily referred by the State Chancellery territorial offices as an impediment to transferring, free-of-charge, the assets of public authorities and institutions to economic operators, the education area inclusive.

2 Incentives to involve the business community in rendering social services

Amongst the important reasons behind women withdrawal from the labour market one could mention their engagement in palliative care, and in caring for elderly people and children with disabilities. Such unpaid family responsibilities are burdensome for women and hinder their entrepreneurial activity.

Palliative care services are underdeveloped in Moldova. From the onset, such services were rendered mainly by NGOs and religious organisations, and subsequently, public hospitals started to provide such services as well. Only by the end of 2020¹¹ palliative care was defined and governed by Law on healthcare No.411/1995 as a healthcare service providing active and comprehensive support to patients whose illness is no longer responsive to curative treatments. As a result, the specialised palliative care services for eligible patients and their families are funded via a separate budget line out of the Mandatory Health Insurance Fund. The financial resources are allocated to the following structures: a) hospices; b) units with palliative care beds within hospitals; c) palliative care services at home; d) day care centres; e) palliative care counselling

11 [Law No. 211/2020 amending the Law on healthcare No. 411/1995.](#)

offices for out-patients; f) mobile specialised palliative care teams within hospitals.

Despite the implemented measures, there are many weaknesses¹² in terms of palliative care provision:

- ❑ shortage of healthcare facilities focused on rendering palliative care services;
- ❑ the public hospitals conditions do not meet the requirements for enabling the supply of hospital care;
- ❑ there is no continuity in rendering palliative care services;
- ❑ the funding of palliative care services in Moldova is modest;
- ❑ there are few NGOs that render such services and cover several administrative-territorial units, most of them being located in Chisinau, etc.

We should mention that there are circa 25 thousand potential patients who need palliative care in Moldova, but only one out of three Moldovans benefit, in reality, from such services¹³, while circa 17 thousand patients remain outside the service system.

Care services for older people, as social services, are rendered free-of-charge or for remuneration through public and private institutions, as well as NGOs, supported by the LPAs and by various donors. Moldova has got a complex regulatory framework that foresees the provision of social services to the elderly people, namely: community social assistance; social care at home; community social assistance centre; family placement for adults; asylum for the elderly and for people with disabilities, etc.

12 Study "[Access and quality of palliative care services in Moldova](#)", Centre for Health Policy and Studies.

13 [Weaknesses of the palliative care system in Moldova](#), Health Info

However, the provision of these services in the long-run and for all potential beneficiaries is not possible due to the increased number of old people seeking such services or due to the impossibility of families to pay for the needed services (the families that are not socially-vulnerable and that could take care of the elderly, but have no possibility due to certain reasons, including employment).

It is worth noting that the people aged 60 years and over make more than 1/5 (22.5% or 584 thousand people)¹⁴ of the total Moldovan population, whereas the forecasts show that their share would be increasing over the next years to reach 23-24% by 2040¹⁵.

Care services for children with disabilities, also included in the category of social services, are governed by several regulatory acts. The most important social services intended for children with disabilities are as follows: “Personal assistance”; “Assisted living facilities”; “Community house”; “Mobile team”; “Respiro”; Day care centres for people with disabilities, etc.

The lack of such services in all settlements, the limited possibilities to render such services (staff shortage, funds deficit, etc.), the need to comply with certain requirements in order to benefit from these services, all these circumstances make/force the women (mainly) to devote their time to child care and to family members with disabilities. This fact adversely affects women’s access to labour market and entrepreneurship.

14 [The elderly in Moldova in 2020](#)

15 [Report on the Evaluation of the Action Plan concerning the implementation of active ageing 2018-2021 and of Madrid International Plan of Action on Ageing](#) (MIPPA), MMPSRM and UNFPA.

Building on the BNS data¹⁶, in 2020 the number of recognised people with disabilities in Moldova reached 174.5 thousand people, including 10.4 thousand children aged 0-17 years (1.9% of the total number of children with ordinary residency in Moldova). Only 3.1 thousand people with disabilities (17.6% of the total number) benefited from home care services; circa 2 thousand social workers being involved in this process.

As per the Vision of the Alliance for Women's Economic Empowerment, tax facilities on the side of the State and LPAs would be required in order to stimulate the engagement of businesses in providing social services.

A. MEASURED TO DEVELOP PALLIATIVE SERVICES

The existing studies (Study "Palliative care in Moldova 2007-2019", Centre for Health Policy and Studies) suggest some recommendations that could be implemented by the Central Public Authorities (CPAs) to increase access to palliative services, namely:

- a) the Government should develop and approve the Nomenclature of palliative care services, the Regulation on organising the activity of services rendering palliative care, and the minimum quality standards for palliative care services, in order to apply the appropriate provisions referred to in the Law on Healthcare, No.411/1995;
- b) Amending the regulatory acts (Government Decisions, National Health Insurance Company written orders, etc.) to secure appropriate funding of home palliative care services out of the Mandatory Health Insurance Fund, and from other sources as well in order to expand the network of specialised providers of home palliative care services both nationally and regionally, and render quality services matching the beneficiary's needs;

¹⁶ [People with disabilities in Moldova in 2020.](#)

- c) Developing and adopting a strategy along with an action plan aimed to develop palliative care services in Moldova, and identify the financial sources required to carry out such actions.

B. MEASURES TO DEVELOP CARE SERVICES FOR OLDER PEOPLE

- a) Improving the regulatory framework to ensure partnerships between legal persons and LPAs to create and provide care services for older people. In particular, it is appropriate to amend Article 10(4) and (8) of Law No.121/2007 on administration and denationalisation of public property in order to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.

C. MEASURES TO DEVELOP CARE SERVICES FOR PEOPLE WITH DISABILITIES

By Decision No. 314 of 23 May 2012, the Government adopted a framework Regulation on organising and operating the Social Service “Personal assistance” and the minimum quality standards. The Service is aimed to provide assistance and care to children and adults with severe disabilities, in order to favour their independence and integration into the society (in the following areas: social protection, employment, healthcare, instructional-educational, informational, access to infrastructure, etc.). At the same time, Studies (Report on implementing the Social Service “Personal assistance”. Challenges and needs, Centre for the Rights of Persons with Disabilities) show the need to improve the regulations on organising this service. In this regard, the Alliance has suggested the following recommendations:

- a) Amend certain regulatory acts (Government Decisions No.413/2012, etc.) to ensure appropriate funding of Respiro services out of various sources of all providers, including the private providers, and expand

the period of service provision throughout a year so that to enlarge, both nationally and regionally, the network of service providers that offer quality services matching the beneficiary's needs;

- b) Improve the regulatory framework to ensure partnerships between legal persons and LPAs to assign certain spaces and/or lands under the public ownership of administrative-territorial units in order to create care services for people with severe disabilities. In particular, it is necessary to amend Article 10 (4) and (8) of Law No.121/2007 on administration and denationalisation of public property to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.

3 Incentives to rescue the business affected by crises

According to the NBS information¹⁷, in 2020, the number of SMEs reached 57.2 thousand, representing circa 98.6% of the total number of reporting undertakings, of which approximately 86.7% were micro-undertakings. They employed 60.1% of the total number of employees and generated 39.3% of sales revenues in the national economy.

Circa 33.9% of small and medium enterprises are owned or managed by women (as of 2017¹⁸). Women seldom own medium-sized or large businesses, but they quite often launch micro-businesses, having employed one-two people. Hence, out of the total number of undertakings owned or managed by women, circa 42% of the country micro-undertakings are fully owned by women.

17 [SMEs activity in Moldova in 2020](#), NBS.

18 [Analytical Report on women and men participation in entrepreneurship](#), Rodica Nicoara, NBS.

The multitude of obstacles encountered by women put them under unequal conditions of activity relative to men that establish and run businesses, leading to a lower level of profitability and productivity. The companies owned by women register profits that are 2.6 times smaller, revenues from sales that are 2.0 times smaller and labour productivity that is by 17.5% lower as compared to the level achieved by men¹⁹.

Amongst the key obstacles to business establishment and development by women we can mention the following:

- ❑ low initial capital;
- ❑ insufficient financing by banks;
- ❑ high taxes and fees;
- ❑ lack of time as a result of women involvement in household activities and care of family members;
- ❑ stereotypes circulating in the society;
- ❑ less developed initiative and entrepreneurship;
- ❑ lack of self-confidence;
- ❑ lack of skills and competences required to initiate and run businesses.

The difficulties faced by SMEs make the entrepreneurs to close their business during the first years of operations or cease it due to the lack of growth prospects. Some 47% of companies manage to continue their activity after the first year, and only 40% after the second year since their establishment. Moreover, circa 11% of entrepreneurs see no growth prospects and need to keep their undertakings going, being determined either to close them down or to liquidate them (such intentions were expressed by 17% of micro- and small undertakings' owners). The probability of ceasing the activity of undertakings

¹⁹ [Ibidem](#)

owned by women is high, which further exacerbates the gender gap in entrepreneurship. Circa 13% (19% in case of small undertakings owned by women)²⁰ of them intend to close or liquidate their business.

In the vision of the Alliance for Women's Economic Empowerment, in order to stimulate the involvement of women in business and develop sustainable businesses, the State and the LPAs can undertake certain supporting measures. The latter are imperative to rescue the SMEs, in particular the micro-undertakings, which are heavily affected by regional and world crises. Such measures may be applied for a certain timeframe (for example: until the end of the war in Ukraine), for certain important sectors or for the micro-undertakings that have been affected the most by the recent crises (pandemic, energy, war).

A. REDUCING VAT FOR SMES OR THEIR EXEMPTION FROM VAT

The shortage of financial resources, as well as of working capital makes it difficult or even impossible for the undertakings to settle VAT (nowadays, the standard rate is 20%) for the imported goods and services and for the deliveries made throughout the Moldovan territory. The suggested solutions:

- a) Reduce the VAT rates or use zero-rated VAT (Article 96 of the Tax Code), or VAT exemption (Articles 103 – 104 of the Tax Code);
- b) Remove the VAT payment obligation on imports of production equipment and machinery, which would give an impetus to the use of modern technologies in production;
- c) Streamline the netting operations of the debts towards the budget at the expense of other tax overpayments, in particular, concerning the administration of import/export operations, netting the VAT payable with the VAT to be reimbursed.

²⁰ [Ibidem](#)

B. EXEMPTING THE MICRO-UNDERTAKINGS FROM THE CORPORATE INCOME TAX

Under the circumstances of low-income generated by some undertakings, one of the supporting measures of microenterprises would be:

- a) The exemption from the payment of corporate income tax, requiring the operation of some amendments in the Tax Code (Articles 51 – 54) or in Law No.1164/1997 for implementing Title I and Title II of the Tax Code (Article 24).

C. EXEMPTING THE MICRO-UNDERTAKINGS FROM THE SETTLEMENT OF SOME LOCAL FEES/DUTIES

The LPAs may foresee, on an annual basis, upon the adoption of the local budget and local fees/duties:

- a) Microenterprises exemption from the settlement of some local fees/duties, depending on the entrepreneurs' area of activity (for example: exemption from the settlement of the land improvement duty, of the fee on advertising placement; of the fee for commercial and/or service providing units, etc.).

D. SUSPENSION OF STATE INSPECTIONS/CHECKS

The state inspections/checks remain an obstacle to businesses. Ambiguous legislation, abuses and inappropriate decisions taken by inspectors, a system focused mainly on sanctioning the economic operators put huge pressure on entrepreneurs. The negative impact of such inspections/checks on SMEs augmented during the recent crises when the entrepreneurs became more vulnerable against potential risks and threats. One of the temporary solutions to give Respiro to entrepreneurs would be:

- a) Suspending the state inspections for a certain timeframe, such as the state of emergency declared by the Parliament of Moldova or the state of emergency in the area of public health introduced by the National Extraordinary Public Health Commission (save some areas or situations that may jeopardise people's life, health and safety). This suspension may take the form of a special law adopted by Parliament or the form of a decision issued by the National Extraordinary Public Health Commission.

E. GOVERNMENT SHOULD DEVELOP AND IMPLEMENT A PLAN OF CRISIS-RESPONSE ACTIONS TO SUPPORT THE MICRO-UNDERTAKINGS

There is no strategic document in place intended primarily for micro-undertakings, which have been affected by crises the most and are at risk to go bankrupt. Such a document could integrate and synchronise various time-sensitive measures, for a limited timeframe, necessary to support the small entrepreneurs and help them survive. The simpler and most efficient solution to this end would be to:

- a) Insert urgent anti-crisis measures for micro-undertakings in the Action Plan for the implementation of the National Programme for Entrepreneurship Promotion and Competitiveness Growth for 2022-2026, developed by the Ministry of Economy.

MEDIUM-TERM ECONOMIC PRIORITIES

1 Increase SME Access to Finance

Access to finance remains a constraint for the business community, in particular, for small entrepreneurs, being one of the main reasons behind quitting the business activity. The undertakings owned by women face greater shortage of funds for growth and of working capital for their daily smooth operation. This forces the women to contract loans from banks or from other financial institutions. Nonetheless, businesswomen, in particular, those who own micro- and small undertakings, have fewer chances (two times less) to contract loans relative to the large ones. The loan refusal rate amongst micro-undertakings is the highest and reaches 23%.

Amongst the main reasons that hinder access to finance we can mention: high interest rates, especially during the recent period when the NBM has increased significantly the reference rate; cumbersome application procedures and small entrepreneurs' failure to be aware of and keep up with such procedures; the loan size and/or unsatisfactory maturity, when the collateral value is set at almost 140% of the borrowed amount, etc. However, the largest barrier to contracting a loan is the requirement to pledge assets as collateral and high guarantee conditions. Only 36% of undertakings owned by women are able to pledge the undertaking assets as collateral. Predominantly, they can offer their personal belongings as collateral (this figure reaches 46% for micro-undertakings).

In the vision of the Alliance for Women's Economic Empowerment, measures aimed at removing the key constraints in the lending process would be required to take forward the undertakings' access to finance. In particular, we deem necessary to:

A. BOOST THE USE OF THE LOAN GUARANTEE FUND

- a) Increase the Loan Guarantee Fund resources (Government Decision No.828/2018) managed by ODIMM (budget allocations, donors' assistance, other sources), which currently amounts to circa MDL 1 billion, leading in this way to an increased number of beneficiaries of Fund guarantees to secure the loans contracted by SMEs from the country commercial banks.

B. FACILITATE THE LOAN CONTRACTING PROCESS

- a) Setting partnerships amongst Loan Assessment Bureaus and business associations to facilitate the loan contracting process by SMEs.

C. IMPLEMENT FINANCING TOOLS WITH SUBSIDISED INTEREST

- a) Developing some new tools and products intended for businesswomen to get funds with subsidised interest.

2 Support Start-ups and Scale-ups

A. TAX FACILITIES FOR START-UPS

One of the tax measures intended to support Start-ups is to:

- a) Exempt them from corporate income tax for the first fiscal period, as they use their own resources for business capitalisation. In this regard, a new Article, 14², could be inserted into the Tax Code, containing special rules for corporate income tax settlement applicable to Start-ups and Scale-ups.

B. BUSINESS ANGELS LEGISLATION

- a) Developing and adopting legislation aimed at creating incentives for individual investors to frame business angels' activity as per the EU pattern to enable the establishment of Venture Funds.

3 Curb bureaucracy and revise the system of services intended for businesses

Nowadays, the entrepreneurs' relationship with the public administration is described, at large, by cumbersome procedures, burdensome circulation of documents, long periods for addressing the requests submitted by economic operators, and by processes not justified economically or by other reasons. Any public service involves a number of records, documents, certificates, receipts, standard applications, authorisations and annexes to be filled in, signed, endorsed and sealed by many people. All these stages and procedures are too burdensome and costly for the

business community, as they augment the endeavours aimed at achieving the planned outcomes and implicitly increase the overheads related to ensuring economic operators' compliance with the regulatory acts in force²¹. Amongst the solutions intended to curb bureaucracy within public services rendered to businesses we can mention the following:

In its general meaning, the services rendered for remuneration are not intended for the business growth; it is rather an additional income source to the authority/institution budget. As a rule, the payments collected from the rendered services generate corruption, multiple abuses and wasted resources on the side of businesses. Quite often, such services are qualified by the business community as low-quality and rendered for inappropriate charges. Most services rendered by the state entities are perceived in reality as additional state fees/duties, but the latter are not governed by the Tax Code. De facto, the services for remuneration have turned into an additional 'non-official' form of taxation of businesses.

A. CHARGEABLE HIGH-QUALITY PUBLIC SERVICES

We suggest the following recommendations:

- a) Setting legislation provisions that prohibit the public authorities to render chargeable services to businesses. All chargeable services shall be rendered exclusively through the state and private enterprises, such as the PSA or the institutions dealing with certification and type-approval. The mandatory payments shall be exclusively treated as fees/duties and inserted into/governed by the Tax Code of Moldova. The oversight/inspection bodies shall be able to charge only those fees/duties that are stipulated by the Tax Code. In this way, the administrative pressure on businesses would be significantly mitigated;

21 [Business Anti-corruption Agenda of Moldova for 2017-2018 and the Analytical Report "Fighting Corruption: what can the Business do?"](#), IDIS "Viitorul" (ANB).

- b) Revising the pay-services for businesses within the regulatory framework in place, having assessed their impact on businesses.

B. IMPLEMENT ONE-STOP SHOPS

- a) Implementing One-stop Shops that render administrative services both at the central and local levels, having interconnected the databases managed by all public institutions.

3

ECONOMIC PRIORITIES TO MITIGATE THE IMPACT OF WAR IN UKRAINE

The Legislative Agenda of Moldovan Women also includes priorities related to supporting the business community in its entirety, which has been affected by the war in Ukraine. In this regard, we deem important to:

A. LOWER VAT FOR FOODSTUFF AND ENERGY PRODUCTS

- a) Lower VAT for foodstuff to compensate the loss of purchasing power due to inflationary trends (Note: the average VAT rate for foodstuff in the EU is 9%);
- b) Lower the VAT rate on energy products, in particular on natural gas (**Note:** some EU Member States decreased the VAT rate on natural gas almost three times).

B. REDUCE THE EXCISE DUTIES ON ENERGY PRODUCTS

- a) Adjust the size of excise duties on imported energy products, in particular on fuel or partial compensation of costs incurred for agricultural and logistic works.

C. REDUCE CUSTOMS DUTIES ON RAW MATERIALS AND MATERIALS THAT ARE NOT PRODUCED IN MOLDOVA, ON THOSE USED BY MOLDOVAN COMPANIES TO MANUFACTURE THEIR OWN PRODUCTS

Due to the war, circa 15% of country imports have been affected, as they were delivered from Ukraine. Hence, a range of imported products used in production are no longer available, whereas some economic operators reoriented towards other EU markets, where, as a rule, these products are more expensive (fertilisers, packages for perishable products, etc.).

Part of imported products and raw materials used in production has no substitutes in Moldova, respectively, their subject to customs duties has no economic reasoning other than collecting taxes to the state budget. As a result, it is important to identify these types of products and reduce or even remove the imposed customs duties, having amended accordingly the Law on customs duties No.1380/1997.

D. TAX FACILITIES/INCENTIVES FOR COMPANIES THAT DONATE GOODS AND SERVICES TO REFUGEES (CURRENTLY, SUCH DONATIONS ARE NOT RECOGNISED FROM THE FISCAL STANDPOINT).

- a) Amending Article 20 and Article 36 of the Tax Code to stipulate the deduction of economic operator's donations to Ukrainian citizens staying in Moldova due to the war in Ukraine.

PRIORITIES OF THE ALLIANCE FOR WOMEN'S ECONOMIC EMPOWERMENT IN THE AREA OF PROMOTING GENDER EQUALITY

1 Carry out an awareness raising campaign on discrimination at work

The Moldovan legislation prohibits all types of discrimination at work on account of gender. As per the provisions of Law No. 5 of 9 February 2006 on ensuring equal opportunities for men and women, the State shall guarantee equal rights and opportunities, equal treatment of women and men upon their employment. Article 9(2) of the Law bans the publication of discriminatory employment announcements on account of gender by Media, natural and/or legal persons, public and private employment agencies; paragraph (3) stipulates that in order to ensure equality between women and men, the employer shall be required to:

- a) ensure equal opportunities and treatment to all people upon their employment in compliance with their occupation, professional training, career promotion/advancement, without discrimination on account of gender;
- b) apply the same work evaluation criteria, the same sanctioning and dismissal criteria;
- c) ensure equal remuneration for the work of equal value;
- d) undertake preventive measures against discrimination on account of gender and/or sexual harassment of women and men at work,

and refrain from their persecution for submitting complaints to the competent body;

- e) ensure equal conditions for women and men in case of combining job and family duties;
- f) introduce in the Unit's Organisation and Operation Regulation some provisions banning discrimination on account of gender and sexual harassment;
- g) provide the employees and/or their representatives with information on legal provisions concerning equal opportunities and treatment between women and men within the Unit.

The Labour Code of Moldova also covers provisions aimed to fight discrimination at work and requires the employers to undertake all measures aimed at ensuring equal and fair treatment of employees, regardless of their gender. Moreover, a range of legal amendments has been adopted in 2022, which introduces additional preventive measures and actions to fight discrimination at work. In this regard, Law No. 107 of 21 April 2022 amending some regulatory acts has been passed; the Law requires the employers of medium-sized and large undertakings to inform periodically, but not less often than once a year (at latest, during the first half of the year following the reporting period), the employees and/or their representatives on gender gaps in terms of remuneration and job positions. In addition, the Labour Code amendments target the definition of equal pay principle for works of equal value between women and men, having introduced the following terms: remuneration, payroll level, gender gap in terms of payroll, equal work and work of equal value.

The type and size of sanctions applied for discrimination at work may vary depending on the option of victim of discrimination to submit a complaint to the State Labour Inspectorate, to the Council for Prevention

and Elimination of Discrimination and Ensuring Equality or to courts. In this regard, the Code of Administrative Offences, Article 541, stipulates sanctions, including fines varying from 60 to 84 conventional units for natural persons, fines varying from 120 to 210 conventional units for people in charge, and fines varying from 210 to 270 conventional units for legal persons for any case of discrimination at work.

Despite these legal provisions, the labour market still records gender gaps, while women face discrimination. Hence, according to the Gender Equality Index for 2021²², the Moldovan labour market is described by persistent gender gaps with adverse impact on women, in most cases. Over the last three years we notice a significant decrease of the Index values for the labour market, the women being affected the most. The NBS recent data show women's withdrawal from employment (women's employment rate is 36.5%, and men's employment rate is 44.2%). The gap between the average wage of women and men is increasing steadily, reaching at present 14.1%. In monetary terms, the annual financial loss of women amounted to MDL 17 079 (approx. 885 USD) in 2020.

The existing studies²³ stipulates that women's employment discrimination takes various forms, namely: on the ground of gender – jobs intended for men only or for women only; on the ground of age – the age limits upon hiring men or women; on the ground of physical features – discriminations related to people's appearance (height, weight); publishing employment ads stating the employee's gender, such as 'hiring a female graduate' or 'hiring a female accountant'.

22 [2021 GENDER EQUALITY INDEX: What equality exists between women and men in Moldova](#), CPD.

23 ["Inequalities in labour market. Main trends on both banks of Nistru River"](#), UNDP.

Pursuant to a Study²⁴ published in 2017 that reviewed the discriminatory trends found in the private sector hiring ads, 93% of ads were discriminatory on account of gender. In other words, in 9 out of 10 cases, the employer expressed its preference for a certain gender (by stating explicitly the gender when listing the requirements or using the gendered name of the occupation).

Although no statistics are presented, many women recognised in qualitative researches²⁵ that they felt discriminated during the hiring process on the ground of their marital status or because they had small children. Respectively, the hiring process is more burdensome for a young, pregnant woman or with children <3 years, as the employers are more reticent to grant them a job. This reticence stems from the current situations where women are assigned in most cases the role of caretakers and shall raise their children. Therefore, they would tend to choose between that role and employment to the detriment of the latter. On the other hand, many families cannot benefit from nursery services as there is a shortage of them – a subject-matter discussed above.

In this regard, the Alliance for Women's Economic Empowerment of Moldova launched several initiatives and campaigns targeting gender equality:

- a) Raising the awareness of state entity employees responsible for monitoring and implementing the labour legislation concerning gender discrimination at work;
- b) Raising employers' awareness concerning the prevention and combat of gender discrimination at work, the legal provisions in force, the manner how gender discrimination occurs at work, the sanctions in

24 [Study on discriminatory trends present in the employment ads in the private sector](#), Council for Prevention and Elimination of Discrimination and Ensuring Equality.

25 [Preliminary Gender and Inclusion Analysis for Moldova](#), WAGE.

place, as well as the advantages for the companies when they fight discrimination;

- c) Raising the employed and potentially employed women's awareness concerning the prevention and combat of gender discrimination at work, the legal provisions in force, the manner how gender discrimination occurs at work, the sanctions in place and the reporting mechanisms.

2 Carry out an information campaign on workplace harassment

Sexual harassment and harassment on the ground of gender is a heavily discussed reality that has become an area of major interest because this phenomenon is present in society for quite a long time, being hidden or tolerated in most cases. Sexual harassment is a form of violence and discrimination on the ground of gender, whereas no tolerance towards this phenomenon shall exist in the working environment, both public and private.

The statistics show that at present, every fifth employed Moldovan woman is subject to some subtle forms of sexual harassment at work (inappropriate glances, hugs without permission, jokes/language with sexual connotation), whereas 4 out of 100 face severe forms of harassment (coercion to sexual intercourse for a reward, physical force or threats coercing to sexual intercourses, etc.).²⁶

The relevant research shows that sexual harassment affects physical and psycho-emotional health, as well as the world of work. This phenomenon

²⁶ Source: Gender Barometer (2016).

has an adverse impact on the quality of work, influencing the performance in the education field as well. Likewise, a rational analysis of this phenomenon takes into account the costs incurred by both employees and employers.

Although Moldova has recorded certain progress in mitigating the gender inequalities over the last decade, discrimination and harassment on the ground of gender often occur. The share of people who claim that not all Moldovan citizens are equal before the law reached 61%²⁷. The data of the *National Survey on the perception of the general population and the opinion of professionals on the preparedness of justice sector actors to deal with cases of discrimination*²⁸ show that most often the respondents stated cases of discrimination on the grounds of socio-economic status (13%), gender (12%), ethnic group or nationality (10%). Similar findings have been displayed in the *Overall Report on preventing and combating discrimination in Moldova*, which revealed an increasing trend in terms of the number of complaints pleading discrimination on the ground of gender. The number of decisions ascertaining gender-based discrimination is on increase as well; for instance, the rate of decisions ascertaining injury to dignity (harassment) reached circa 19%. The ground of gender remains dominant in discrimination actions in this area²⁹. One of the major traps encountered by women in the process of accessing protection mechanisms is the perpetuating preconceptions concerning the women's nature or role in society. Perpetuating such thought patterns may turn out to be as dangerous as the social disadvantages affecting women as compared with men,

27 National Study on the perception of the general population and the opinion of professionals on the preparedness of justice sector actors to deal with cases of discrimination, CoE, 2021.

28 The Study has been developed under the National Project "Strengthening the capacities of the justice sector actors to deliver justice acts in line with European standards, in particular to fight discrimination in the Republic of Moldova", co-funded by the EU and the Council of Europe in the framework of the Partnership for Good Governance.

29 Ibidem, page 7.

since they contribute to maintaining the belief that there is an innate difference in aptitude between the sexes.³⁰

At the European level, the countries that apply consolidated policy to prevent sexual harassment and harassment on the ground of gender are described by high level of case reporting. International studies show there is a direct link between the type of implemented policy and the reporting ratio. Hence, interventions are required at the regulatory framework level to fight the perpetuation of sexual harassment, as well as to prevent the occurrence of such behaviour.

The analysis of the regulatory environment has revealed that the Republic of Moldova lacks a comprehensive and clear regulatory framework governing the protection mechanism against sexual harassment. The framework in place includes, *inter alia*, the obligation of various institutions to contribute directly or indirectly to the protection of victims of sexual harassment. However, the institutional and administrative measures are not sufficient in terms of the range of actions, lacking a strategic approach to achieve the prevention and support goals.

The piecemeal regulatory design of sexual harassment through various regulatory acts creates confusion for the institutions entrusted with competences to prevent and investigate the cases of sexual harassment, and for the victims in the process of case reporting.

Since the content of the rule referred to in Article 173 of the Moldovan Criminal Code is confusing, while the Judgment ('On judicial practice applied in cases pertaining to the category of sex-offences') No.17 of 07.11.2005 issued by the Supreme Court of Justice of Moldova failed to provide pertinent explanations, the criminal law enforcement bodies have

30 Case of *Khamtokhu and Aksenchik versus Russia*, 2017, Judge Pinto de Albuquerque, dissenting opinion.

arbitrarily construed the rule referred to in Article 173 of the Criminal Code of the RM. Under such circumstances, the judicial practice in place has distorted the content and aim of the legal rule incriminating sexual harassment.

Pursuant to the statistics presented by the General Prosecutor's Office, in 2019, the prosecution bodies and prosecutors reviewed 31 acts of apprehension concerning the commission of offences referred to in Article 173 of the Criminal Code. Criminal proceedings were started in 22 cases. Overall, 30 criminal cases of sexual harassment were investigated during the previous year. Out of the file cases subject to investigation during the reference period, the prosecutors completed four cases referring to four defendants, prepared the indictment and submitted them to courts for consideration.

It becomes obvious that the regulatory framework shall be improved, and raise women's awareness regarding the protection mechanism against sexual harassment.

On May 26, the Parliament of the Republic of Moldova adopted in first hearing the draft law no. 124 on amending some legislative acts that regulate combating sexual harassment at work. The draft law comes to amend the normative framework with provisions which regulate the liability of employers for non-compliance with the obligation to take measures to prevent, examine and interfere in case of identification of acts of sexual harassment at work; and contravention liability in case of victimization and of employers who obstruct the reporting of cases of sexual harassment.

Respectively, the Alliance for Women's Economic Empowerment of Moldova has suggested the following initiatives and campaigns concerning workplace harassment:

- a) Adoption in the second hearing of the draft law no. 124 on amending some legislative acts that regulate combating sexual harassment at work;
- b) Raising the awareness of state entity employees responsible for monitoring and implementing the labour legislation on the occurrence of workplace harassment;
- c) Raising the employers' awareness on preventing and fighting workplace harassment, the legal provisions in force, the manner how harassment occurs at work, the sanctions in place, as well as the advantages for companies in case of fighting harassment;
- d) Raising the awareness of employed and potentially employed women on preventing and fighting workplace harassment, the legal provisions in force, the manner how harassment occurs at work, the sanctions in place and reporting mechanisms.

Annex

Annex 1. The Legislative Agenda of the Alliance for Women's Economic Empowerment – Table

I. Economic Priorities of the Alliance for Women's Economic Empowerment	
<i>Immediate Economic Priorities</i>	
1. Incentives to engage the business community in rendering early childhood education services	
A. Tax facilities/incentives for child care services	<ul style="list-style-type: none"> ✚ Amend Article 24 of the Tax Code to expressly indicate that the expenses related to the construction and maintenance of educational centres within undertakings, and to obtaining authorisations thereof shall be subject to deduction; ✚ Amend Article 103 of the Tax Code for VAT exemptions with no deduction for the imports of goods needed to establish and maintain educational centres within undertakings; ✚ State in Local Council decisions approving the local budget and local fees/duties that SMEs shall be exempted from partial or full settlement of certain local fees/duties, depending of their area of activity, when they establish and maintain educational centres within their undertakings.
B. Tax facilities/incentives for companies that would create/build nurseries and kindergartens.	<ul style="list-style-type: none"> ✚ Amend Article 24 of the Tax Code to expressly indicate that the expenses related to the construction and maintenance of nurseries and kindergartens within undertakings, and to obtaining authorisations thereof shall be subject to deduction; ✚ Amend Article 103 of the Tax Code for VAT exemptions with no deduction for the imports of goods needed to establish and maintain nurseries and kindergartens;

	<ul style="list-style-type: none"> ✚ Amend Article 15 of the Tax Code to foresee the use zero rate on corporate income reinvested by legal persons to build nurseries and kindergartens; ✚ State in Local Council decisions approving the local budget and local fees/duties that SMEs shall be exempted from partial or full settlement of certain local fees/duties, depending of their area of activity, when they establish and maintain nurseries and kindergartens.
<p>C. Nursery and Kindergarten Vouchers</p>	<ul style="list-style-type: none"> ✚ Approve the regulatory act and the mechanism for providing nursery/kindergarten vouchers by employers (a pattern similar to the mechanism described by Law No.166/2017 on food vouchers); ✚ Amend Article 24 of the Tax Code to expressly indicate that the expenses related to nursery/ kindergarten vouchers provided to employees with the aim to compensate the costs associated with nursery/ kindergarten services shall be subject to deduction.
<p>D. Facilities and care measures for <10-year old pupils in the summertime</p>	<ul style="list-style-type: none"> ✚ Establish, build up and foster partnerships among undertakings, LPAs and education/ cultural institutions within the localities to involve them in rendering child care services during the summertime, educate and help them acquire knowledge/skills (having engaged the institution teaching staff and spaces, etc.); ✚ Improve the regulatory framework to secure partnerships between undertakings and LPAs to assign certain spaces and/or lands under the public ownership of administrative-territorial units, with the aim to create some child care services, educate and help them acquire knowledge/skills during the summertime vacation. In particular, it is necessary to amend Article 10 (4) and (8) of Law No.121/2007 on administration and denationalisation of public property in order to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.

2. Incentives to involve (the business community) in rendering social services	
A. Measures to develop palliative services	<ul style="list-style-type: none"> ✚ The Government should approve the Nomenclature of palliative care services, the Regulation on organising the activity of services rendering palliative care, and the minimum quality standards for palliative care services; ✚ Amend the regulatory acts (Government Decisions, National Health Insurance Company written orders, etc.) to secure appropriate funding of home palliative care services out of the Mandatory Health Insurance Fund, and from other sources as well in order to expand the network of specialised providers of home palliative care services both nationally and regionally, and render quality services matching the beneficiary's needs; ✚ Develop and adopt a strategy along with an action plan aimed to develop palliative care services in Moldova.
B. Measures to develop care services for older people	<ul style="list-style-type: none"> ✚ Improve the regulatory framework to ensure partnerships between legal persons and LPAs to create and provide care services for older people. In particular, it is appropriate to amend Article 10(4) and (8) of Law No.121/2007 on administration and denationalisation of public property in order to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.
C. Measures to develop care services for people with disabilities	<ul style="list-style-type: none"> ✚ Amend certain regulatory acts (Government Decisions No.413/2012, etc.) to ensure appropriate funding of Respiro services out of various sources of all providers, including the private providers, and expand the period of service provision throughout a year so that to enlarge, both nationally and regionally, the network of service providers that offer quality services matching the beneficiary's needs;

	<ul style="list-style-type: none"> ▾ Improve the regulatory framework to ensure partnerships between legal persons and LPAs to assign certain spaces and/or lands under the public ownership of administrative-territorial units in order to create care services for people with severe disabilities. In particular, it is necessary to amend Article 10 (4) and (8) of Law No.121/2007 on administration and denationalisation of public property to create the possibility of leasing the public and private assets under the State and administrative-territorial unit ownership to entrepreneurs.
3. Incentives to rescue the private companies affected by crises	
A. Reducing VAT for SMES or their exemption from VAT settlement	<ul style="list-style-type: none"> ▾ Reduce the VAT rates or use zero-rated VAT (Article 96 of the Tax Code), or VAT exemption (Articles 103 – 104 of the Tax Code); ▾ Remove the VAT payment obligation on imports of production equipment and machinery, which would give an impetus to the use of modern technologies in production; ▾ Streamline the netting operations of the debts towards the budget at the expense of other tax overpayments, in particular, concerning the administration of import/export operations, netting the VAT payable with the VAT to be reimbursed.
B. Exempting the micro-undertakings from the payment of corporate income tax	<ul style="list-style-type: none"> ▾ The exemption from the payment of corporate income tax, requiring the operation of some amendments in the Tax Code (Articles 51 – 54) or in Law No.1164/1997 for implementing Title I and Title II of the Tax Code (Article 24).

<p>C. Exempting the micro-undertakings from the settlement of some local fees/duties</p>	<p>☑ State in Local Council decisions approving the local budget and local fees/duties that SMEs shall be exempted from the settlement of certain local fees/duties, depending of their area of activity (exemption from the settlement of the land improvement duty, of the fee on advertising placement; of the fee for commercial and/or service providing units, etc.).</p>
<p>D. Suspension of state inspections/checks</p>	<p>☑ Develop and adopt a special law on suspending the state inspections/checks for a fixed timeframe (save the areas or situations jeopardizing people's life, health and safety).</p>
<p>E. Government should develop and implement a Plan of crisis-response actions to support the micro-undertakings</p>	<p>☑ Insert urgent anti-crisis measures for micro-undertakings in the Action Plan for the implementation of the National Programme for Entrepreneurship Promotion and Competitiveness Growth for 2022-2026, developed by the Ministry of Economy.</p>

Medium-term Economic Priorities

1. Increase SME Access to Finance

<p>A. Boost the use of the Loan Guarantee Fund</p>	<p>☑ Increase the Loan Guarantee Fund resources (Government Decision No.828/2018) managed by ODIMM (budget allocations, donors' assistance, other sources) and the number of beneficiaries of financial guarantees provided out of the Fund to guarantee the loans contracted by SMEs from domestic commercial banks.</p>
<p>B. Facilitate the loan contracting process</p>	<p>☑ Set up partnerships amongst Loan Assessment Bureaus and business associations to facilitate the loan contracting process by SMEs.</p>

C. Implement financing tools with subsidised interest	<ul style="list-style-type: none"> ✚ Developing some new tools and products intended for businesswomen to get funds with subsidised interest.
2. Support Start-ups	
A. Tax Facilities for Start-ups	<ul style="list-style-type: none"> ✚ Insert a new Article, 14², into the Tax Code, containing special rules for corporate income tax settlement applicable to Start-ups and Scale-ups (exempt them from corporate income tax for the first fiscal period, as they use their own resources for business capitalisation).
B. Business Angels Legislation	<ul style="list-style-type: none"> ✚ Develop and adopt legislation aimed at creating incentives for individual investors to frame business angels' activity as per the EU pattern to enable the establishment of Venture Funds.
3. Curb bureaucracy and revise the system of services intended for businesses	
A. Chargeable high-quality public services	<ul style="list-style-type: none"> ✚ Set legislation provisions that prohibit the public authorities to render chargeable services to private companies. All chargeable services should be rendered exclusively through state and private undertakings. The mandatory payments shall be exclusively treated as fees/duties and inserted into/ governed by the Tax Code of Moldova. The oversight/ inspection bodies shall be able to charge only those fees/duties that are stipulated by the Tax Code. In this way, the administrative pressure on businesses would be significantly mitigated; ✚ Revise the pay-services for businesses within the regulatory framework in place, having assessed their impact on businesses.
B. Implement One-stop Shops	<ul style="list-style-type: none"> ✚ Implement One-stop Shops that render administrative services both at the central and local levels, having interconnected the databases managed by all public institutions.

Economic Priorities to mitigate the impact of war in Ukraine

<p>A. Lower VAT for foodstuff and energy products</p>	<ul style="list-style-type: none"> ▾ Lower VAT for foodstuff to compensate the loss of purchasing power due to inflationary trends (Note: the average VAT rate for foodstuff in the EU is 9%); ▾ Lower the VAT rate on energy products, in particular on natural gas (Note: some EU Member States decreased the VAT rate on natural gas almost three times).
<p>B. Reduce the excise duties on energy products</p>	<ul style="list-style-type: none"> ▾ Adjust the size of excise duties on imported energy products, in particular on fuel or partial compensation of costs incurred for agricultural and logistic works.
<p>C. Reduce customs duties on raw materials and materials that are not produced in Moldova, on those used by Moldovan companies to manufacture their own products</p>	<ul style="list-style-type: none"> ▾ Amend Law on customs duties No.1380/1997 to foresee the reduction of customs duties on raw materials and materials that have no substitutes in Moldova, but such are used by Moldovan companies to manufacture their own products.
<p>D. Tax facilities/incentives for companies that donate goods and services to refugees</p>	<ul style="list-style-type: none"> ▾ Amend Article 20 and Article 36 of the Tax Code to stipulate the deduction of economic operator's donations to Ukrainian citizens staying in Moldova due to the war in Ukraine.

II. Priorities of the Alliance for Women's Economic Empowerment in the area of Promoting Gender Equality

A. Carry out an awareness raising campaign on discrimination at work	<ul style="list-style-type: none">✚ Raise the awareness of state entity employees responsible for monitoring and implementing the labour legislation concerning gender discrimination at work;✚ Raise employers' awareness concerning the prevention and combat of gender discrimination at work, the legal provisions in force, the manner how gender discrimination occurs at work, the sanctions in place, as well as the advantages for the companies when they fight discrimination;✚ Raise the employed and potentially employed women's awareness concerning the prevention and combat of gender discrimination at work, the legal provisions in force, the manner how gender discrimination occurs at work, the sanctions in place and the reporting mechanisms.
B. Carry out an information campaign on workplace harassment	<ul style="list-style-type: none">✚ Adopt in the second hearing the draft law no. 124 on amending some legislative acts that regulate combating sexual harassment at work;✚ Raise the awareness of state entity employees responsible for monitoring and implementing the labour legislation on the occurrence of workplace harassment;✚ Raise the employers' awareness on preventing and fighting workplace harassment, the legal provisions in force, the manner how harassment occurs at work, the sanctions in place, as well as the advantages for companies in case of fighting harassment;✚ Raise the awareness of employed and potentially employed women on preventing and fighting workplace harassment, the legal provisions in force, the manner how harassment occurs at work, the sanctions in place and reporting mechanisms.

The Alliance for Women's Economic Empowerment from the Republic of Moldova has developed the Women's Legislative Agenda within the "Reducing Barriers to Women's Economic Empowerment" Project, implemented under the Women and Girls Empowered (WAGE) Consortium led by the American Bar Association Rule of Law Initiative (ABA ROLI) in partnership with the Center for International Private Enterprise (CIPE), and funded by the United States Government. The opinions expressed in this Paper belong to the Alliance for Women's Economic Empowerment, and do not necessarily represent the WAGE, CIPE, ABA ROLI or the US Government views.