Policy dialogue

On impact of COVID-19 on most vulnerable groups and SMEs in Republic of Moldova
Contents

1 COVID-19 context

2 Executive summary

3 Impact on most affected vulnerable groups, economic sectors and public services

4 Policy options and recommendations

5 Summary of donors initiatives in support of M-SMEs
Covid-19 Perspective
The WHO has declared the coronavirus outbreak a pandemic on March 11th, 2020

Recovery depending on both communities and public sector
Moldova reported the first local case of COVID-19 on March 7th, with the government declaring an emergency lockdown period for 60 days on March 17th.

Containment and social distancing measures were imposed. Among the measures targeted at limiting the spread of the virus are: bans on large gatherings, remote working and schooling, prescribing hygiene protocols at home, in hospitals and public places, through the use of masks and protection equipment and cleaning of public spaces.

Resilience: Embrace new/manage capabilities
The pandemic is still unfolding, with growing numbers, towards a potential second wave.
Socio-economic context during the COVID-19 pandemic

The pandemic takes place against a backdrop of sustained socio-economic trends in Moldova, including decreasing population due to emigration and slowing down of economic growth.

### Epidemic Progression as of 4th of October

<table>
<thead>
<tr>
<th># of total cases</th>
<th># of deaths</th>
<th># of recovered</th>
<th># of tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>56,579</td>
<td>1,366</td>
<td>40,955</td>
<td>294,781</td>
</tr>
</tbody>
</table>

**Daily new cases**
(7 day moving average)

<table>
<thead>
<tr>
<th>8th – 14th April</th>
<th>28th Sept – 4th Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>106</td>
<td>816</td>
</tr>
</tbody>
</table>

**Active Cases**
(7 day moving average)

| 1,422           | 13,112             |

### Socio-Economic Context

#### Population with stable residence, (000)s individuals, 2015-2020

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>2,845</td>
<td>2,825</td>
<td>2,780</td>
<td>2,731</td>
<td>2,686</td>
<td>2,641</td>
</tr>
</tbody>
</table>

**Daily new cases**
(7 day moving average)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>543</td>
<td>542</td>
<td>539</td>
<td>530</td>
<td>519</td>
<td></td>
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<tr>
<td>546</td>
<td>557</td>
<td>568</td>
<td>580</td>
<td>553</td>
<td>565</td>
</tr>
</tbody>
</table>

**Source:** NBS

#### Economic sectors

- Wholesale and retail trade
- Transportation and storage
- HORECA
- Manufacturing
- Agribusiness and food
- Healthcare
- Education

#### GDP YoY growth, %, 2015-2020

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>4.4%</td>
<td>4.7%</td>
<td>4.0%</td>
<td>3.6%</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** NBS

#### Personal remittances
mil USD, % of GDP , 2018-2020

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.5</td>
<td>15.0</td>
<td>16.7</td>
<td>17.9</td>
</tr>
</tbody>
</table>

**Source:** Eurostat

#### Unemployment rate
%
2015-2020

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</thead>
<tbody>
<tr>
<td>5.1</td>
<td>4.1</td>
<td>4.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** NBS

### Vulnerable groups

- Children and youth
- Poor households
- Vulnerable women
- NEET youth
- Returning migrants
- Elderly/older population
- Freelancers

**Elderly/older population**

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</thead>
<tbody>
<tr>
<td>2.9</td>
<td>3.9</td>
<td>4.0</td>
<td>4.7</td>
<td>4.1</td>
<td>4.2</td>
</tr>
</tbody>
</table>

**Source:** NBS
Executive summary
FIAR
The inability of children to continuously attend school will likely contribute to a further inequality of educational performance between pupils from socially advantaged pupils and socially disadvantaged ones.

Children also have strong overlapping vulnerabilities, particularly when being part of a poor household. Households with 3+ children have the highest rate of absolute poverty among any, with poor nutritional diet.

Shifting their living habits in order to protect the family from the infection with the virus have affected more women than men in terms of time poverty. Women have allocated more time to housework, as well as monitoring and assisting their children during remote schooling.

NEET young people are at greater risk of social exclusion compared to the rest of the population because they neither develop their skills through education, nor they accumulate experience by engaging in the labour market.

The elderly population displayed more feelings of loneliness and concerns about the healthcare system. Even more vulnerable than before pandemic.

Returning Migrants have been forced to return home or re-evaluate their work prospects, with many of them losing their jobs.

Freelancers have seen decline in sales, restricted access to raw materials and decline in domestic demands and have serious concerns about declines in liquidity/cashflows.
Economic Sectors

Non-food wholesale and retail trade was severely impacted especially during lockdown, due to demand decrease, supply issues and decrease in production and non-food goods consumption.

Transportation was affected mainly due to the reduced passengers’ mobility and reduced demand for goods. By comparison to July 2019, the passengers’ traffic was reduced by almost 49%. The average number of employees within this sector also decreased in the 2nd quarter of 2020, compared with the similar period of 2019, by 15.7%.

The hardest hit sector remained accommodation and food services, as most hospitality venues remained closed in spring. Hospitality employees were among the most affected in the overall economy especially the ones working in the urban areas. The average number of employees decreased in the 2nd quarter of 2020 (compared with the similar period of 2019) with more than 60%.

Sales in Manufacturing were affected by the dynamic of the external markets in the first two months of 2020, followed by a massive dropdown during the lockdown period (March-April), with a negative peak in April, with almost 50% decrease linked to quarantine period in the EU states.

The main challenge faced by Agriculture is related to the draught that affected the country this year, corroborated with the poor irrigation infrastructure system. This led to a decrease of vegetal production by 26.8% in S1 2020 compared with the similar period of the last year.

The Healthcare system is the most affected in terms of capacity and medical staff due to the current evolution of COVID-19 pandemic in Moldova. The medical personnel are overwhelmed and exposed to burnout in day-to-day activities.

Education: Although the schools and universities adapted to remote learning, the COVID-19 pandemic is disrupting learning for an entire generation and school closures affect disadvantaged populations much more severely.

Our scenarios predict a slow recovery until June 2021, when it is expected that the analysed sectors will reach the level of 2019, in terms of weight in GDP.
Main outcomes
Vulnerable Groups
Emerging themes of income loss, remote learning difficulties, and overall strain in adapting to the pandemic

Quote from a student in her final year in high-school, text, 2020, [UNDP Micro-narratives]

"Today, once the exam cancellation was announced, I felt relieved. I regret not being able to spend the last moments of high school together with loved ones and friends, but we have to conform to the obstacles of life. - 18-25-year-old female"

Impact of the pandemic on the income of vulnerable groups, %, 2020, [VG survey]

<table>
<thead>
<tr>
<th>Vulnerable group</th>
<th>Income decreased 50-26%</th>
<th>Income decreased &gt;25%</th>
<th>Income decreased 75-51%</th>
<th>Income decreased 100%-76%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and Youth</td>
<td>11%</td>
<td>13%</td>
<td>25%</td>
<td>7%</td>
</tr>
<tr>
<td>NEET youth</td>
<td>3%</td>
<td>18%</td>
<td>29%</td>
<td>16%</td>
</tr>
<tr>
<td>Poor households</td>
<td>12%</td>
<td>24%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Vulnerable women</td>
<td>16%</td>
<td>24%</td>
<td>26%</td>
<td>6%</td>
</tr>
<tr>
<td>Returning migrants</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Elderly</td>
<td>13%</td>
<td>12%</td>
<td>65%</td>
<td>1%</td>
</tr>
<tr>
<td>Freelancers</td>
<td>13%</td>
<td>19%</td>
<td>31%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Perception of medical availability among the vulnerable groups, %, 2020, [VG Survey]

<table>
<thead>
<tr>
<th>Vulnerable group</th>
<th>Normal access to healthcare</th>
<th>More difficult access to healthcare</th>
<th>Limited access to healthcare</th>
<th>Severe deterioration of access to healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and youth</td>
<td>45%</td>
<td>14%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>NEET youth</td>
<td>44%</td>
<td>24%</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Poor households</td>
<td>69%</td>
<td>16%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Vulnerable women</td>
<td>63%</td>
<td>24%</td>
<td>14%</td>
<td>6%</td>
</tr>
<tr>
<td>Returning migrants</td>
<td>44%</td>
<td>24%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Elderly</td>
<td>64%</td>
<td>24%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Freelancers</td>
<td>60%</td>
<td>21%</td>
<td>13%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Logistical hurdles in setting-up remote education, %, 2020 [VG survey]

<table>
<thead>
<tr>
<th>Vulnerable group</th>
<th>Could not organise at all</th>
<th>Difficult</th>
<th>Easy</th>
<th>Very easy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children and youth</td>
<td>25%</td>
<td>75%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEET youth</td>
<td>33%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor households</td>
<td>10%</td>
<td>85%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Vulnerable women</td>
<td>13%</td>
<td>67%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Returning migrants</td>
<td>43%</td>
<td>57%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freelancers</td>
<td>9%</td>
<td>59%</td>
<td></td>
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</tr>
</tbody>
</table>
Summary

Impact and leading vulnerabilities

Widespread barriers to remote learning reinforce pre-pandemic inequalities

- **Pre-pandemic PISA** tests score gap widening between socially advantaged pupils and socially-disadvantaged
- 75% of sample children and youth lacked sufficient devices (poor 80%)
- 50% of sample lacked an internet connection (poor 30%)
- 50% did not have adequate knowledge to connect to remote educational platforms (poor 85%)
- 25% were in a school that only partially ensured remote learning (poor 55%)

Children from vulnerable family structures experienced worse educational outcomes

- 42% is the poverty rate among households with 3+ children
- 27% divorced or single parents could not organise remote learning (1% married parents)

Prospects and recovery needs

Top priorities regarding COVID-19

- **#1** Food supply safety
- **#2** Education
- **#3** Personal health

Coping and Prospects

- Children were most anxious about getting the right information and staying in touch with people
- Needs for tablets and devices (some were donated, but more are needed)
- Short-term need for alternative educational channels in reaching the most vulnerable children and youth (UNICEF estimate that 5 months of school closure equivalent to loss of 0.6 years of schooling)
Summary

Impact and leading vulnerabilities

Poor households have seen high job losses, aggravating tight budgets

- 18% job loss among poor in sample (versus 2.8% in the general population)
- 67% of poor households do not have enough income/savings to cover monthly expenses (urban 83%)

Poor households are reducing food in response to the pandemic, despite having a poorer diet

- Faced with 8.7% food inflation, 65% of poor households relied on cheaper food, despite consuming -20-100% less quality nutrients pre-pandemic

Basic needs suffer in the absence of resources

- 1 in 5 poor households reduced health and education expenses in order to cope with the pandemic fallout

Prospects and recovery needs

Top priorities regarding COVID-19

- Water supply safety
- Food supply safety
- Personal health

- #3
- #2
- #1

Coping and Prospects

- Around 29% of poor households required community services during the pandemic
- By and large there were positive outlets, but some pockets of unhealthy behaviours and discouragement observed
- Lack of material means shape a mindset of scarcity and disengagement towards society’s problems (climate, education, etc)
- 8% of poor gave up looking for a job, after unsuccessful attempts in the recent past, and 48% believe unemployment benefits would help
Summary

Impact and leading vulnerabilities

Women’s income mix was more affected by the pandemic

- **1 in 4** job loss among vulnerable women in sample (second only after returning migrants)
- **69%** of vulnerable women lost at least 25% of their income (16% of women lost between 75%-100% of income, including drop in remittances)

Vulnerable women have a hard time juggling multiple demands

- **21%** of vulnerable women could not organise remote learning at all (worst of all groups)
- **96%** of vulnerable women handled household chores during the pandemic (and 61% cared for children)

The pandemic has sparked an increase in domestic violence

- **6%** of women in sample experienced domestic violence (mainly physical and emotional), all filed complaints

Prospects and recovery needs

Top priorities regarding COVID-19

- Water supply safety
- Food supply safety
- Personal health

Coping and Prospects

- Vulnerable women had the lowest median income per family member among all vulnerable groups (867 MDL)
- **20%** of vulnerable women needed community services during the pandemic
- Closure of social shelters made it difficult for women to deal with and receive assistance for cases of domestic violence
Summary

Impact and leading vulnerabilities

NEET youth experienced serious material and social deprivations pre-pandemic

- 25% of NEET did not have their house connected to the energy supply
- 6 NEET individuals were sleeping in abandoned buildings and 3 in garages
- 37% of NEET youth did not have sufficient protective equipment during the pandemic period
- 13% of NEET youth cited receiving remittance income in 2020 (versus 22% receiving in 2019)

Basic needs suffer in the absence of resources

- 47% of NEET youth spent their savings to go through the pandemic expenses
- 18% of NEET reported that in order to compensate for income loss some days they did not eat at all

Prospects and recovery needs

Top priorities regarding COVID-19

- Safety and dignity
- Food supply safety
- Personal health

Coping and Prospects

- Highest sample levels of unhealthy behaviours observed (37% NEET youth smoked more and 22% drank more alcohol) – proxy for depression or social exclusion?
- NEET youth in sample distinguished themselves through rather large share of uncompleted studies, and the fact that most were living alone
- 57% of NEET declared not being interested in actively seeking a job
Summary

Impact and leading vulnerabilities

The elderly had the loosest understanding of prevention measures, but also most difficulties in procuring PPE

- 1 in 4 elderly person did not cite wearing a mask as a prevention measure
- 60% of elderly that had difficulties in procuring face masks and 39% hand disinfectant

Elderly households expressed the highest level of food concerns of all vulnerable groups

- 79% perceived that food prices are rising and 13% perceived both a rise in food prices and food scarcity
- 67% of elderly do not have enough income/savings to cover monthly expenses (urban 89%)

Due to higher morbidities, the elderly feel healthcare pressures much more

- 40% of elderly experienced difficulties in obtaining access to Non-Contagious Diseases medical services

Prospects and recovery needs

Top priorities regarding COVID-19

- Water supply safety
- Food supply safety
- Personal health

Coping and Prospects

- The elderly had lower mobility and lower connectivity to the Internet
- Two main issues for the elderly were the capacity of the healthcare system and loneliness
- The Elderly experienced higher levels of depression, despite lower quarantine levels
- 35% of elderly households required community services support, during the pandemic
Summary

Impact and leading vulnerabilities

Returning migrants have seen the highest job losses of any group (double the next group)

- **62%** job loss among migrants in sample, out of which 72% planning to return to same country
- **92%** of returning migrants performed work which cannot be done remotely
- **22%** of returning migrants have lost between 3/4 and 4/4 of their income due to the COVID-19 pandemic

Not all returning migrant children are integrated into the ed. system, especially in rural areas

- **7%** of migrant children were enrolled in a school that did not ensure remote learning

Weak legal contracts come at a (high) cost

- **78.2%** of returning migrants reported not being covered by health insurance

Prospects and recovery needs

Top priorities regarding COVID-19

- Reopening logistic infra-structure
- Food supply safety
- Personal health

Coping and Prospects

- A large part (72%) cited a perceived need for new platforms or channels with new job listings
- Public opinion was more favourable to migrants in terms of resources than health implications
- From those that lost their job, 79% plan to return to the same country and 15% to another country, thus emigrating may hinge on welfare aspirations that may be difficult to replicate in Moldova in a short time horizon by lower-skilled or lower-educated individuals
Summary

Impact and leading vulnerabilities

Freelancers have limited options if they cannot work

- **12%** faced severe impact due to restrictions, with most of the crop being lost
- **86%** of freelancers performed work which cannot be done remotely, but **46%** lacked skills for remote work

Freelancers carry the burden of self-employment on their shoulders

- **40%** of freelancers had debt (the most indebted of any group)
- **44%** of freelancers spent their savings to go through the pandemic period
- **73%** were very concerned for the next three months (highest of all groups)

Prospects and recovery needs

Top priorities regarding COVID-19

- Water supply safety
- Food supply safety
- Personal health

Coping and Prospects

► Freelancers are a very heterogenous group, with varying levels of education, income and access to facilities
► Overall there were prevalent liquidity concerns across the board, with high worries being flagged by freelancers in the HORECA sector
► Freelancers had overall better material conditions for their children, and were more open-minded to new green technologies
Main outcomes
Economic Sectors
Covid-19 is putting significant pressure on business and administration.

### Companies Current Status

- **85%** Closed due to Covid-19
- **6%** Applied for insolvency protection
- **72%** Don't have liquidity reserves for managing Covid-19 crisis
  - Operating normally - 50%
  - Operating partially - 38%
  - Temporarily closed - 8%
  - Permanently closed - 4%

### Challenges faced by companies, %, 2020, [B2B Survey]

<table>
<thead>
<tr>
<th>Category</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High level of uncertainty</td>
<td>24%</td>
<td>42%</td>
<td>35%</td>
</tr>
<tr>
<td>Bureaucratic barriers</td>
<td>23%</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>Insufficiency of reserves to manage the crisis</td>
<td>18%</td>
<td>38%</td>
<td>44%</td>
</tr>
<tr>
<td>Insufficiency of liquidity/decline in cashflow</td>
<td>17%</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Lack of support from business associations</td>
<td>15%</td>
<td>34%</td>
<td>51%</td>
</tr>
<tr>
<td>Lack of relevant information from authorities</td>
<td>15%</td>
<td>40%</td>
<td>46%</td>
</tr>
<tr>
<td>Limited access to financing</td>
<td>15%</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>Low openness of public authorities</td>
<td>13%</td>
<td>39%</td>
<td>48%</td>
</tr>
<tr>
<td>Lack of proper insurance instruments</td>
<td>12%</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td>Lack of an anticrisis plan inside the company</td>
<td>12%</td>
<td>46%</td>
<td>43%</td>
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<tr>
<td>Exchange rate fluctuations</td>
<td>9%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Low or lack of home delivery services</td>
<td>9%</td>
<td>33%</td>
<td>58%</td>
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<tr>
<td>Low level of skills to manage ICT</td>
<td>8%</td>
<td>49%</td>
<td>43%</td>
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</tbody>
</table>

### Measures implemented by companies, %, 2020 [B2B survey]

<table>
<thead>
<tr>
<th>Measure</th>
<th>61.1%</th>
<th>46.0%</th>
<th>11.6%</th>
<th>10.2%</th>
<th>6.4%</th>
<th>6.0%</th>
<th>5.8%</th>
<th>5.8%</th>
<th>5.6%</th>
<th>4.9%</th>
<th>2.9%</th>
<th>2.9%</th>
<th>2.7%</th>
<th>1.8%</th>
<th>0.9%</th>
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<tbody>
<tr>
<td>Cutting unnecessary expenditures</td>
<td>61.1%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Postponement of planned investments</td>
<td></td>
<td>46.0%</td>
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</tr>
<tr>
<td>Cutting wages</td>
<td>11.6%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of online sales</td>
<td></td>
<td></td>
<td>10.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Restructuring the loans</td>
<td></td>
<td></td>
<td></td>
<td>6.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.0%</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversification of suppliers</td>
<td></td>
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<td>Dissemination of information to employees</td>
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<td>5.8%</td>
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<tr>
<td>Requesting support from public authorities</td>
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<td>5.6%</td>
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<tr>
<td>No measures/ no activity performed</td>
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<td>4.9%</td>
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<td>Creating an anticrisis unit inside the enterprise</td>
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<td>2.9%</td>
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<tr>
<td>Requesting information/consulting from public authorities</td>
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<td>Migration to home offices</td>
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<td>2.7%</td>
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<tr>
<td>Requesting support from CSOs/donors/development partners</td>
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<td>1.8%</td>
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<tr>
<td>Alternative payments for individuals</td>
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<td>0.9%</td>
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</tbody>
</table>

### Measures that should be implemented by the Government, %, 2020 [B2B Survey]

<table>
<thead>
<tr>
<th>Measure</th>
<th>40.0%</th>
<th>26.2%</th>
<th>25.8%</th>
<th>25.1%</th>
<th>20.0%</th>
<th>18.0%</th>
<th>17.8%</th>
<th>10.7%</th>
<th>10.2%</th>
<th>10.0%</th>
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</thead>
<tbody>
<tr>
<td>Providing facilities by extending the deadlines for the payment of</td>
<td>60.0%</td>
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<tr>
<td>taxes and social contributions</td>
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<td>40.0%</td>
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<tr>
<td>Implementing a tax incentive package</td>
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<td>30.4%</td>
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<tr>
<td>Wage subsidies</td>
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<td></td>
<td></td>
<td>26.2%</td>
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<tr>
<td>Cash transfers for businesses</td>
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<td>25.8%</td>
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<td>Deferral of credit payments, rent or mortgage or rollover of debt</td>
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<td>25.1%</td>
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<tr>
<td>Covering interest on working capital loans</td>
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<td>20.0%</td>
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<tr>
<td>Access to personal protective equipment to re-open business safely</td>
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<td></td>
<td>18.0%</td>
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<tr>
<td>Access to new markets or business matching</td>
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<td></td>
<td>17.8%</td>
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<tr>
<td>Assistance to transition to new products or services with higher</td>
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<td>10.7%</td>
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<tr>
<td>demand</td>
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<tr>
<td>Access to new credit</td>
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<td>10.0%</td>
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PwC
Summary

Sector overview and impact

- **Highest contribution (16%) to the total GVA** of Republic of Moldova as for 1st semester of 2020
- **60%** of companies have a low level of process automation
- **73%** of respondents face liquidity shortage
- **88%** of respondents answered that during state of emergency and state of medical emergency generated by Covid-19 pandemic they did not receive any government support

Prospects and main challenges

Economic model – forecasted scenarios

Main challenges

- Adapting to the COVID-19 situation and moving part of the trade activity towards the online channels was rather difficult due to reduced internet penetration at country level and reduced pre-COVID-19 digitization level of companies.
Summary

Sector overview and impact

**Massive dropdown both in transported passengers and goods**, especially due to lockdown movements restrictions.

The **average number of employees decreased** in Q2 2020 (compared with the similar period of 2019) with **15.7%**.

**64%** of companies have a **low level of process automation**.

**65%** of respondents face **liquidity shortage**.

Most of the respondents believes that in order to overcome the crisis the Government should implement measures related to **fiscal incentives**, while **commercial promotion on the domestic and foreign markets** in terms of donors support.

Prospects and main challenges

**Economic model – forecasted scenarios**

**Main challenges**

- The Transportation sector was affected mainly due to the **reduced passengers’ mobility** and **reduced demand for goods**.
Summary

Sector overview and impact

In the Q2 2020, a severe decrease of almost 100% in Moldovan tourists travelling abroad and internal tourism of 66% was registered.

The number of total tourists registered a decrease of 74%, whilst the number of total overnights of accommodation a total decrease of 70%, in S1 2020, compared to the similar period of 2019.

The average number of employees decreased in Q2 2020 (compared with Q2 2019) with more than 60%.

66% of companies have a low level of process automation.

77% of respondents face liquidity shortage.

68% of the respondents answered that they stopped their activity during the pandemic.

Prospects and main challenges

Economic model – forecasted scenarios

Main challenges

- Hospitality employees were among the most affected in the overall economy especially the ones working in the urban areas, although some businesses managed to quickly adapt, providing catering services to economic sectors with rising demand (for example, healthcare facilities) and to vulnerable people (subsidized by local authorities). Other restaurants and coffee shops took online and phone orders and provided products either via in-store pick-up or home delivery.
Summary

Sector overview and impact

**More than 30,000 employees** in the manufacturing sector, especially from the light industry, **were impacted by the COVID-19 restrictions**

Out of the three sub-sectors in the light industry, **only the production of leather and related products increased** in June compared to the previous year by **10.5%**.

- **7%** of companies have **applied for insolvency protection**
- **67%** of companies have a **low level of process automation**
- **69%** of respondents face **liquidity shortage**
- **81%** of respondents registered a **negative turnover fluctuation**
- **53%** of the companies **stopped their activity during the pandemic**

Prospects and main challenges

**Economic model – forecasted scenarios**

Main challenges

- Due the specificity of the industry, **the sales were affected by the dynamic of the external markets** with a **massive dropdown during the lockdown period** (March-April) and a negative peak in April, with almost **50% decrease** linked to quarantine period in the EU states.
Summary

Sector overview and impact

Disruption occurred due to **prolonged drought in first 4 months**

In S1 2020 (compared to same period 2019) the exports decreased for oil seeds and oleaginous fruits by **30.1%**, cereals and cereal based products by **16.4%**, raw and processed tobacco by **67.3%**, milk products and poultry eggs by **39.7%**, meat and meat products **40.6%**

8% of the respondents have **applied for insolvency protection**

More than **70%** of companies have a **low level of process automation**

91% of companies answered that their **profitability** registered a **significant decrease**

74% of respondents face **liquidity shortage**

61% of the respondents continued to perform their activity at **maximum capacity**

Prospects and main challenges

Economic model – forecasted scenarios

Main challenges

- **Deficient infrastructure, lack of irrigation systems, lack of technical expertise** and concentrated risks to one type of agricultural product
- **Small farmers** have **issues accessing the high value markets and can’t achieve volumes and quality** that most buyers request
- The pandemic restrictions and economic hardships had a negative impact on **poor rural farmers and small-scale food producers** as they lacked the access to the markets to sell their products.
Main outcomes
Public Services provision
Summary

Covid-19 has pushed the Healthcare system over the tipping point. The medical personnel is overwhelmed and exposed to burnout in day-to-day activities and towards the infection.

Out of the almost **5,000** health care workers which were diagnosed with COVID-19 until Sep 7th, 2020, **26.4%** were medical doctors.

**53** hospitals are part of the anti-COVID-19 healthcare system.

**148** infectious disease doctors were registered in Moldova, all of them being detached to the infectious disease hospitals in Chișinău.

All forces gathered for good: resident physicians and pharmacists, undergraduate students and pupils from faculties and, respectively, secondary schools with medical profile were involved in intensive care within COVID-19 hospitals. They were rewarded with monthly scholarships in academic years 2020-2021 and 2021-2022, for supporting the COVID-19 hospitals for more than 3 months.
Summary

Sector impact and leading vulnerabilities

Academic year 2020-2021, started with having the possibility to chose (based on the pandemic evolution and severity) between one of the 6 operational models of how the educational process can be performed in the educational institutions.

Main challenges of remote learning: limited access to internet (60.8% per household) as well as poor access to IT devices (laptop, tablet or smartphone).

About 3000 teachers (10.6% of total) do not have access to ICT technology (laptop, tablet or access to internet).

Moldova ranks 79th in the world according to Human Capital Index for 2020 of 0.58. The index is calculated since 2018 on 174 countries, divided among regions and according to their income level. www.worldbank.org/en/publication/human-capital

UNICEF, UNESCO, PAM and World Bank have issued general guidelines for a safe return to school, for both parents and students.

Closures of schools affect variable domains: disruption in learning process, ability of many parents to go to work and digital abilities that should be enriched overnight.
Policy recommendations
### Summary of VG policy recommendations (1/3)

Preliminary proposals, subject for further consultations

<table>
<thead>
<tr>
<th>Vulnerable groups</th>
<th>Policy</th>
<th>Content</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establish a system of telehealth services to benefit</strong> the most vulnerable groups in COVID-19 context</td>
<td>Creation of an enabling regulatory environment for telemedicine, by updating policies and legislation to enable the operationalization and the use of telemedicine. Policies will address health practice, ethics, privacy, data protection, interoperability and security, etc., as well as financial coverage schemes for telemedicine services.</td>
<td>Limiting contact facing and exposure to potential COVID-19 contagion, reducing the unmet healthcare need.</td>
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<tr>
<td><strong>Use of big data and new evidence to ensure protection (or prophylaxis) of population</strong></td>
<td>Making available big data and new evidence to ensure protection (or prophylaxis) of population; while at the same time ensuring that any collection and use of personal data (for contact tracing) is done respecting the right to privacy.</td>
<td>Allowing individuals to be informed immediately of the interaction with infected people, Better monitoring for authorities; Ensuring proper use of data.</td>
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<tr>
<td><strong>Increase in social support payments and expansion of the social protection coverage</strong> to the most vulnerable persons currently unable to access social benefits</td>
<td>Protect the poor and vulnerable by providing additional financial support. Two main options are envisioned: either extending the coverage of the main ‘Ajutor Social’ program, or a tailored form of Temporary Basic Income (monthly top-up or a lump-sum approach)</td>
<td>Providing a lifeline for poor households, children living in poverty and other vulnerable groups that would have otherwise slipped further into poverty.</td>
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<tr>
<td><strong>Safeguarding the most vulnerable, the elderly</strong>, with increased social support, by hiring additional social assistants and/or food aid</td>
<td>Combined package of food distribution (short-term) and hiring additional social workers (approximately 2000, long-term), in order to cover the increased need, and reduce waiting times for elderly with severe vulnerabilities (i.e disabilities)</td>
<td>Safeguarding the elderly population, primarily the ones that live alone, around 125 thousand households. Also job creation for NEET youth, vulnerable women and returning migrants.</td>
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### Vulnerable groups

<table>
<thead>
<tr>
<th>Policy</th>
<th>Content</th>
<th>Benefits</th>
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<tbody>
<tr>
<td><strong>Domestic violence response program</strong></td>
<td>Create a community for the victims, where they can interact and exchange experiences and facilitate access for the victims to adequate legal and therapeutic support</td>
<td>Victims will be more encouraged to be opened about their problems and take action.</td>
</tr>
<tr>
<td><strong>Bridge to learning for vulnerable children</strong></td>
<td>Alliance between public, ministry and private companies. Partnering with a TV channel with national coverage to expand educational content, Internet providers to offer free connectivity to educational platforms.</td>
<td>Providing access to education to all students that possess a TV in the households, thereby supporting the right to education.</td>
</tr>
<tr>
<td><strong>Facilitate establishment and operation of alternative childcare services</strong></td>
<td>Facilitate alternative childcare/daycare services, both for pre-school and school aged children, where children can be hosted when they are not in kindergarten or school, to allow participation of parents in their workplace.</td>
<td>Parents (usually women) will have more time to work to sustain their families and livelihoods. Synergies with Bridge to Learning.</td>
</tr>
<tr>
<td><strong>Support for building back better and decoupling recovery from unsustainable consumption and production</strong></td>
<td>Aim to stimulate green fiscal recovery through packages to help decouple post-pandemic economic growth from environmental and impacts.</td>
<td>The policy is intended to reach beyond getting economies and livelihoods back on their feet, towards making the recovery sustainable and increasing society’s resilience to future shocks.</td>
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<tr>
<td><strong>Professional reconversion for NEET youth and returning migrants</strong></td>
<td>Incentivize Training providers to organize special training programs for youth and returning migrants in order to help them develop skills and prepare for jobs in various sectors with high demand of labor force.</td>
<td>The professional conversion programme is aiming to train NEET youth and returning migrants on specific skills necessary in the various sectors with high demand for labor force.</td>
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## Summary of VG policy recommendations (3/3)

### Preliminary proposals, subject for further consultations

<table>
<thead>
<tr>
<th>Vulnerable groups</th>
<th>Policy</th>
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<th>Benefits</th>
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<tbody>
<tr>
<td><strong>Program to ensure adequate access to proper information, legal, rights-based and well-informed labor migration</strong></td>
<td>An information program that could feature distinct services that could advise and orient potential migrants with general information about emigrating, best practices, as well as contract assessment</td>
<td>Helping migrants understand their legal situation, and thus resulting in a more dignified migration; Helping authorities monitor trends;</td>
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<tr>
<td><strong>Increase household resilience by developing their ability to save through financial education and discipline</strong></td>
<td>An educational program aimed at building core financial education and spending awareness, by presenting practical principles of money management, monthly budgeting and savings</td>
<td>The educational campaigns will enable the household and vulnerable groups to build resilience through increased savings and financial discipline.</td>
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<tr>
<td><strong>Support national statistical system to adapt to new COVID-19 realities and build new capabilities to collect, (re)use and disseminate data and new evidence</strong></td>
<td>Creation of an additional capacity, particularly at the NBS, to generate new evidence based on ad-hoc and amended modules, new tools and methodologies for remote data collection, use of administrative, register-based and big data available from public authorities</td>
<td>Wide transversal benefits for the Government, decision-makers and development partners through availability of higher quality, frequency and timeliness of data and evidence for COVID-19 impact evaluation and recovery</td>
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<tr>
<td><strong>Applying the principles and practices of good governance to respond and recover from COVID-19</strong></td>
<td>A broad collection of governance initiatives that encompass principles of open and innovative government, which can foster efficient communication, tackle misinformation, support digitalization, and even develop citizen-driven solutions to public problems.</td>
<td>Wide transversal benefits for the Government, decision-makers and development partners, more coherent policy framework, aligned to the 2030 Agenda and nationalized SDGs</td>
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Summary of ES policy recommendations (1/3)

Preliminary proposals, subject for further consultations

<table>
<thead>
<tr>
<th>Economic Sectors</th>
<th>Policy</th>
<th>Content</th>
<th>Benefits</th>
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<tbody>
<tr>
<td><strong>Support for reintegrating and recruiting workforce</strong></td>
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<td>Implementing the Kurzarbeit scheme has the potential to significantly limit the possible increase in unemployment. Stimulating the employment of young people and of emigrants choosing to return home is essential for the future development of the economy and for reversing the workforce migration trends which were dominant previous to COVID-19 outbreak.</td>
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<td><strong>Support for teleworking and working in shifts in factories</strong></td>
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<td>It is expected the measures will increase the number of employees performing tele-working, thus reducing, on short-term, the risk of COVID-19 infection. The same impact is expected by stimulating the work in shifts. In both cases, both the health of the employees and productivity of the companies will be protected. On a longer term, increasing the number of employees subject of tele-working will allow companies reduce their administrative costs, including lowering rent and utilities expenses.</td>
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</table>

- Partial subsidize (up to 50%) of the gross salary for employees which were subject to technical unemployment or unpaid leave due to pandemic related difficulties of their employers. The measure should be in place for the first 3 months after re-integration.
- Partial subsidize (up to 50%) of the gross salary for newly hired employees of Moldova-based companies, if those employees had a valid employment contract with an employer based outside Moldova in the 12 months previous to March 2020. The measure should be in place for the first 3 months after hiring.
- Fully subsidizing social contributions for newly hired young people (<35 years old) in companies active in Wholesale and Retail Trade (non-food), Transportation and Storage, Hospitality, Manufacturing (Light Industry). The measure should be in place for the first 2 years of employment.
- Implementing the Kurzarbeit short-time work scheme for employers who choose to reduce their employees working hours, due to reduced market demand for the company products and services.

- Awarding grants for companies running factories, particularly in the light industry, for procuring anti-COVID-19 personal protection equipment for employees
- Subsidizing utilities for companies running factories which, during the pandemic, choose to implement working in shifts or to increase of number shifts to protect the health of their employees. The measure should be applied during the state of public health emergency.
- Adopting legal provisions for encouraging tele-working outside exceptional situations (such as emergency state or public health emergency state)
### Economic Sectors

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<tr>
<th>Policy</th>
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<th>Benefits</th>
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</table>
| Deferral of tax and social contributions payments for companies witnessing a drop in incomes | • Partial payment of social security and health insurance contributions (30%) during the state of public health emergency and 3 months after its ending for independent workers and MSMEs witnessing a 25% drop of their revenue  
• Partial payment of quarterly instalments for CIT (30%) during the state of public health emergency and 3 months after its ending for companies witnessing a 25% drop of their revenue  
• Additional CIT deductions for the companies witnessing a 25% drop of their revenue in Q2 2020 vs Q2 2019 and maintained their number of employees during the emergency state  
• 0% rate CIT applied for the reinvested income of the companies | Companies will get assistance and avoid major financial issues, included lack of working capital and logistic issues. On short term, one might expect a decrease in governmental incomes. However, in the absence of these measures, one can predict that, on medium term, a significant number of the targeted companies will get bankrupt, thus more significantly affecting the governmental incomes |
| Credit payment deferral for MSMEs | • 6 months (Oct 2020 – March 2021) credit payment deferral for micro enterprises in hospitality  
• 6 months (Oct 2020 – March 2021) credit payment deferral for micro enterprises in all other economic sectors for loans essential for the activity (paying salaries, providing working capital)  
• 6 months (Oct 2020 – March 2021) credit payment deferral for small and medium enterprises in all the economic sectors provided their monthly revenue dropped by more than 25% between March and June 2020, compared to the same period of the 2019 | Companies, especially those active in the most COVID-19-impacted areas, are expected to benefit from the measure by using their incomes exclusively for paying salaries and running their business. |
| Providing preferential interest loans and governmental guarantees for MSMEs | • Governmental guarantees (up to 80%) and zero-interest loans for micro companies in hospitality.  
• Governmental guarantees (up to 80%) and preferential interest loans for those SMEs in the most impacted sectors which witnessed a revenue drop larger than 25% between March and June 2020, compared to same period in 2019.  
• Governmental guarantees (up to 80%) for MSMEs in all the other economic sectors, which witnessed a revenue drop larger than 25% between March and June 2020, compared to same period in 2019. | Together with the above listed policy recommendations, awarding preferential interest loans and governmental guarantees for MSMEs is expected to complete the package of measures meant to support Moldovan companies, particularly MSMEs, from the most impacted economic sectors, to overcome the significant financial difficulties encountered during the pandemic. |
## Summary of ES policy recommendations (3/3)

Preliminary proposals, subject for further consultations

<table>
<thead>
<tr>
<th>Economic Sectors</th>
<th>Policy</th>
<th>Content</th>
<th>Benefits</th>
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<tbody>
<tr>
<td><strong>Deferral of deadline for submitting financial statement and audit reports</strong></td>
<td>• Extending the deadline for submitting 2020 financial statement and audit reports by the end of May 2021.</td>
<td>Drafting accurate financial and audit documents fully reflecting the companies activities in 2019.</td>
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<tr>
<td><strong>E-commerce and transportation &amp; storage support measures</strong></td>
<td>• Simplifying and clarifying the legislation regarding e-commerce, both for transactions in Moldova and for export</td>
<td>Stimulating companies to employ e-commerce solutions will have a significant impact not only during social crisis, such as the current pandemic, but also on a long term. By either getting connected with national or international well-known e-commerce platforms or by developing their own e-commerce solutions, the Moldovan companies will have the opportunity of promoting their products and services both on the local and international markets. E-commerce has the potential of increasing the visibility and awareness of a brand, thus having a direct impact on companies’ revenue.</td>
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<td>• Introducing express provisions regarding tax deductions for e-commerce related expenses, including software procurement, personnel training and, if the case, subscription to national and international e-commerce platforms</td>
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<td>• Reducing the VAT and / or local taxes for e-commerce transactions</td>
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<td>• Introducing express provisions regarding tax deductions for e-commerce related procurement expenses of companies in transportation &amp; storage</td>
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<td>• Awarding grants for transportation companies investing in storage facilities</td>
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<td>• Simplifying procedure of obtaining permissive acts for performing e-commerce activities</td>
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<td></td>
<td>• Simplifying and clarifying legislation related to the use of electronic documents and electronic signature</td>
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Summary of donors initiatives in support of M-SMEs
<table>
<thead>
<tr>
<th>DONOR</th>
<th>CURRENT INITIATIVE</th>
<th>FUTURE INITIATIVE</th>
</tr>
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| **USAID (United States Agency for International Development)** | • Within Farmer to Farmer Organic Agriculture multi-annual project:  
  • Online learning platform for farmers and students & an online selling platform benefitting small organic farmers affected by COVID-19 (Project budget: $ 30,000)  
  • Within High Value Agriculture Activity (HVAA) multi-annual project:  
  • Helping local producers to embrace e-commerce by improving their websites, creating online shops and identifying solutions for online promotion to increase domestic consumption of local products (Project budget: $ 300,000)  
  • Within multi-annual Moldova Structural Reform Program:  
  • Facilitation of legislative amendments to improve the overall e-commerce enabling environment, such as the customs code for clearance of international postal items (Project budget: $ 500,000)  
  • COVID-19 Prevention and Response Project (Assisting Moldova in its preparedness and response to COVID-19 through technical assistance on laboratory preparedness, procuring lab supplies and reagents; data collection and analysis; risk communication and community engagement for healthcare workers and public authorities – Project budget: $ 2.2 million; Project implemented by UNICEF) | • INVEST Moldova (Transaction advisory services to overcome the information asymmetry and transaction costs that prevent local businesses from raising outside capital and prevent investors from entering Moldova – Project budget: $ 1.78 million)  
  • Within multi-annual Moldova Structural Reform Program:  
  • Digitization of waybills, Electronic pre-clearance of packages, e-TIR software, Management Information System at ANTA, Electronic force majeure certifications, Development of electronic certificates of origin |
| **USAID & SIDA (Swedish International Development Cooperation Agency)** | • Projects within Tekwill multi-annual project (established in 2017 with the financial support of USAID and SIDA)  
  • Organization of a Startup Weekend, bringing together all developers, designers, marketers, nurses, doctors, students, scientists, teachers and anyone with an idea to tackle the challenges created by the global pandemic (Project budget: $ 6,000)  
  • Start-up Moldova: Online and offline support (content, access, technology, and funding) based upon the immediate need of businesses transitioning to on-line platforms, in response to the COVID-19 pandemic, for SMEs currently supported by USAID’s Moldova Competitiveness Project and High budget Agriculture project (Project budget: $ 154,000)  
  • Catalysing connections between local entrepreneurs, community members and educational content delivery platforms to generate the production of on-line educational content (Project budget: $ 80,000)  
  • Projects within multi-annual Moldova Competitiveness Project (MCP - established in 2018 with the financial support of USAID and SIDA)  
  • Helping Moldovan brands to increase their online eCommerce digital presence by setting up modern and functional online shops to provide domestic and international sales, and deploying digital promotion campaigns (Project budget: $ 150,000)  
  • Assisting the business associations with advocating for appropriate policy response initiatives to help COVID-related business sustainment and recovery. (Project budget: $ 20,000) | • Within multi-annual MCP:  
  • During 2020-2021, MCP plans to support 200 to 250 SMEs from tourism, wine, creative and fashion industries to up their digital presence, develop online commerce and help them strengthen digital marketing to push sales to consumers. This will be a major “demonstration effect” and will enable to shift Moldova’s ecommerce past the inflection point. |
| **JICA (Japan International Cooperation Agency)** | N.A. | Providing expert assistance for the ODIMM-implemented “National Standardization of the Business Consultation Services to SMEs” program (Started in 2019, due to be finalized in 2021, temporarily interrupted due to COVID-19) |
## Summary of donors initiatives (2/3)

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<tr>
<th>DONOR</th>
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<tr>
<td>EBRD</td>
<td>• “Know How to...in a Crisis” e-learning platform for SMEs (free-to-use platform that aims to provide training and assistance regarding strategic, financial, management and human resources issues triggered by COVID-19 pandemic)</td>
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<td>• EUR 5 million to Mobiasbanca bank for on-lending to private MSMEs</td>
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<td>EBRD &amp; EU</td>
<td>• Within EU4Business-EBRD credit line (launched in 2016):</td>
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<td>• An additional EUR 5 million loan to Mobiasbanca-OTP Group for on-lending to SMEs supported by EU grants</td>
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<td>EBRD &amp; GGF</td>
<td>• COVID-19 Response – Guidance for SME Survival and Continuity in Armenia, Georgia, Moldova and Ukraine project aims to develop generic and localised framework guidelines for helping SMEs adapt their businesses in the current COVID-19 related economic environment</td>
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<td>EU</td>
<td>• SME Policy Support Window project (Aims to support the sustainable and inclusive development of rural-based SMEs – Project budget: EUR 2.6 million)</td>
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<td>• Multi-annual PARE 1+1 ODIMM program provides training, support and funding to any citizen of the Republic of Moldova currently working abroad, or to a first-degree relative of a person working abroad, who wants to start or to develop a business in Moldova</td>
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<td>EIB</td>
<td>• Dedicated EIB loan in support SMEs and midcaps, launched by Procredit Bank (the operation will support the financial intermediaries with temporary emergency measures to facilitate the provision of liquidity to SMEs and midcaps and thereby contribute to mitigating the impact of the economic shock.</td>
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<td>World Bank</td>
<td>• Assistance package for restructuring the currently on-going $ 15 million-worth Tax Administration Modernization Project aims to support the Government of Moldova in implementing important tax related mitigation measures to help businesses.</td>
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<td>Council of Europe Development Bank</td>
<td>• EUR 70 million loan, out of which EUR 40 million for health equipment and expertise and EUR 30 million for providing financing for working capital and investment needs of MSMEs affected by the crisis</td>
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<td>• Still on-going a EUR 10 million loan, awarded in 2019, to ProCredit Bank for part-financing eligible investments undertaken by MSMEs</td>
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Summary of donors initiatives (3/3)

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| **GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) & SDC (Swiss Agency for Development and Cooperation)** | • Within Economic policy advice to the Moldovan Government (MEPA) multi-annual project:  
• Support on digitization, implementing Kurzarbeit governmental unemployment insurance system, providing assistance for Andrea Confezioni light industry factory in identifying updated market needs in the COVID-19 context, producing a new product healthcare-related prototype, testing the prototype in hospitals, getting certification at international level, starting exporting |
| **SDC** | • Opportunities through Technologies and Innovation in Moldova (OPTIM) project aims to stimulate Moldova's market systems and generate more economic opportunities for its citizens. One of its deliverables is an e-platform for virtual trade fairs |
| **UNDP** | • Phase 2 of Migration and Local Development (MiDL) project is focused on providing training to migrant workers and implement initiatives to contribute to local development and to provide income generating opportunities at local level (Project budget for 2020-2022: EUR 4.25 million)  
• SDG Accelerator programme (funded with support of SIDA)  
• Assistance to the Ministry of Agriculture, Regional Development and Environment by assessing the draught and COVID-19 impact on the agricultural production of Moldova in 2020 |
| **FAO (Food and Agricultural Organization)** | • Assistance to the Ministry of Agriculture, Regional Development and Environment by assessing the draught and COVID-19 impact on the agricultural production of Moldova in 2020 |
| **USAID & Polish Aid & Solidarity Fund PL in Moldova, UKID & British Embassy in Chișinău & HEKS (Switzerland) & Ministry of Foreign Affair of the Republic of Estonia & People in Need (Czech Republic)** | • Within LEADER multi-annual project:  
• Pilot Initiatives Fund LEADER – EU 2020 dedicated to innovative business proposals targeting both rural and urban areas (Project budget EUR 200k) |