



**USAID** | **BIZTAR**  
FROM THE AMERICAN PEOPLE

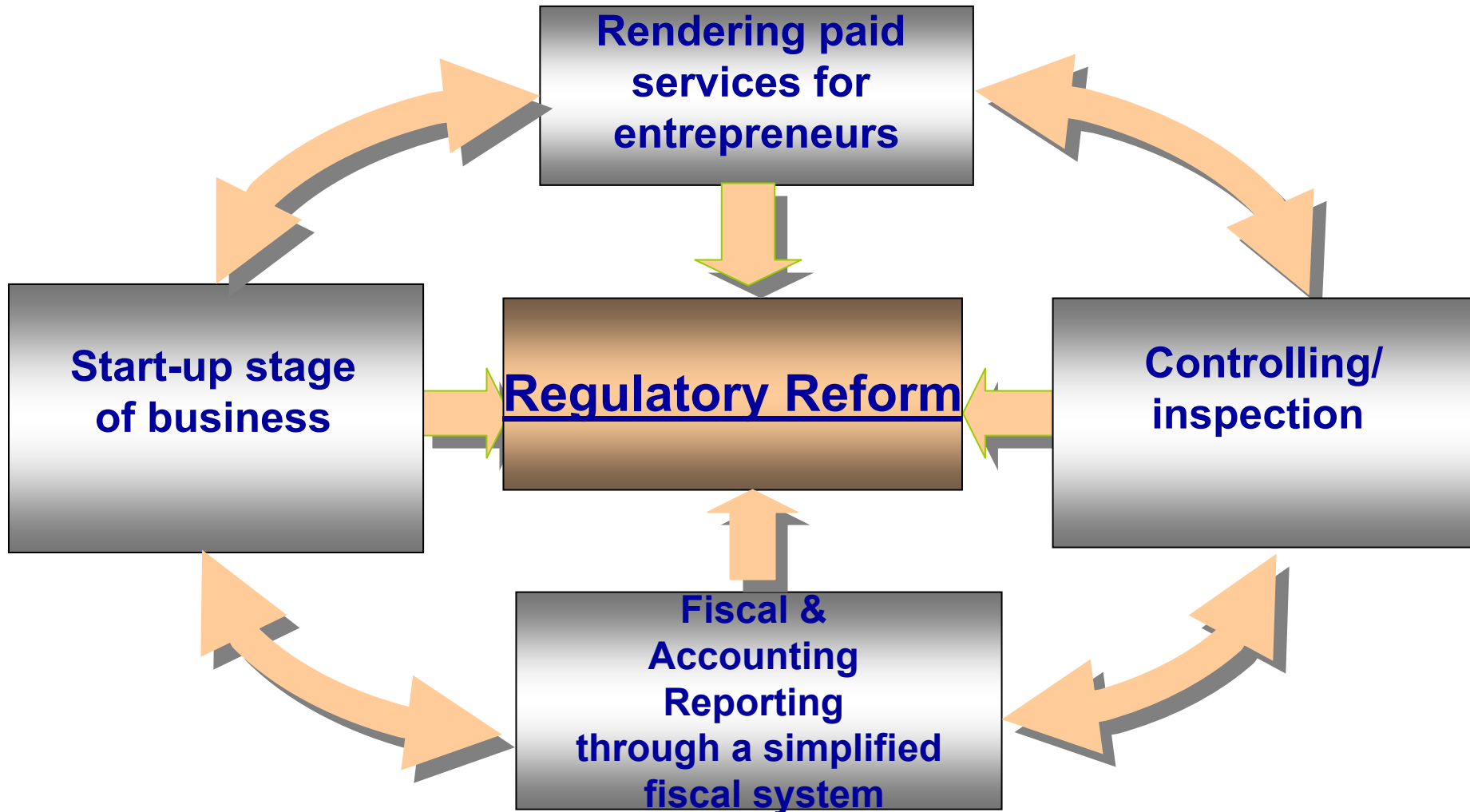
# Moldova's Experience with the Guillotine Regulatory Review

October 2008



## Content

- Priorities
- Approach
- Strategy
- Legal Framework
- Institutional Framework
- Phases of Implementation
- Results after 3 Phases
- Lessons Learned





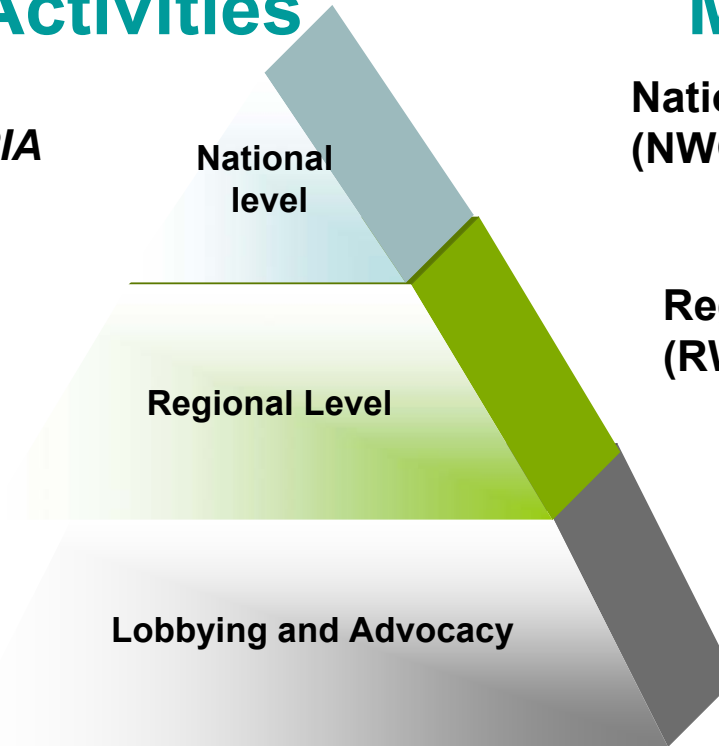
## Task/Activities

***Implementation of  
Guillotine Laws & RIA***

***Establishment of  
RWGs, and OSSs***

***TA to MET, NWG and  
RWGs***

***Development of RIA  
Module***



## Main tools

**National Working Group  
(NWG)**

**Regional Working Groups  
(RWGs), SDPs**

**Best inter. practice,  
Training**

**Workshops,  
roundtables, public  
campaign**



## **Legal Framework (I)**

**17 February 2004**

### **Governmental Decision on Reform of State Regulation of Entrepreneurship Activity**

- The Concept of Reform has been approved.
- Inter-ministerial Commission created as a political body to coordinate the Reform.
- The National Working Group (NWG) created as a working entity to propose to the Inter-ministerial Commission modification to the legal framework on regulating entrepreneurship activity.



## Legal Framework (II)

**16 December 2004**

- **Law on reviewing and streamlining the normative regulatory framework for business activity (Guillotine Law)** passed by the Parliament of Moldova by a near unanimous vote including the opposition.

*NB Under the Guillotine Law did not fall laws and decisions of the Parliament*



## Institutional Framework

- State Commission (former Inter-ministerial Commission) on Regulatory Reform;
- National Working Group on Regulatory Reform (NWG);
- Secretariat of the NWG;
- 9 Regional Working Groups.



## **Phases of Implementation for Guillotine I**

- Phase I: 7 February -22 March 2005
- Phase II: 22 March – 22 June 2005
- Phase III: 22 June – 22 July 2005



## Results after 3 phases

- 1130 regulations have been revised>
  - 426 regulations shall be included in the Registry;
  - 285 regulations shall be amended; and
  - 99 regulations shall be discarded.
  - Other considered not to regulate entrepreneurial activity.



## **Phases of Implementation for Guillotine II**

- Phase I: 11 Aug. -26 Nov. 2006
- Phase II: 26 Nov. 2006 – 26 Feb. 2007
- Phase III: 26 Feb. – 26 May 2007
- Phase IV: until 30 Nov. 2007



## Results after 3 phases

- 82 laws modified
- 2 laws abrogated

+

- 11 modified based on Parliament's proposal (Special Commission for Business Regulation)

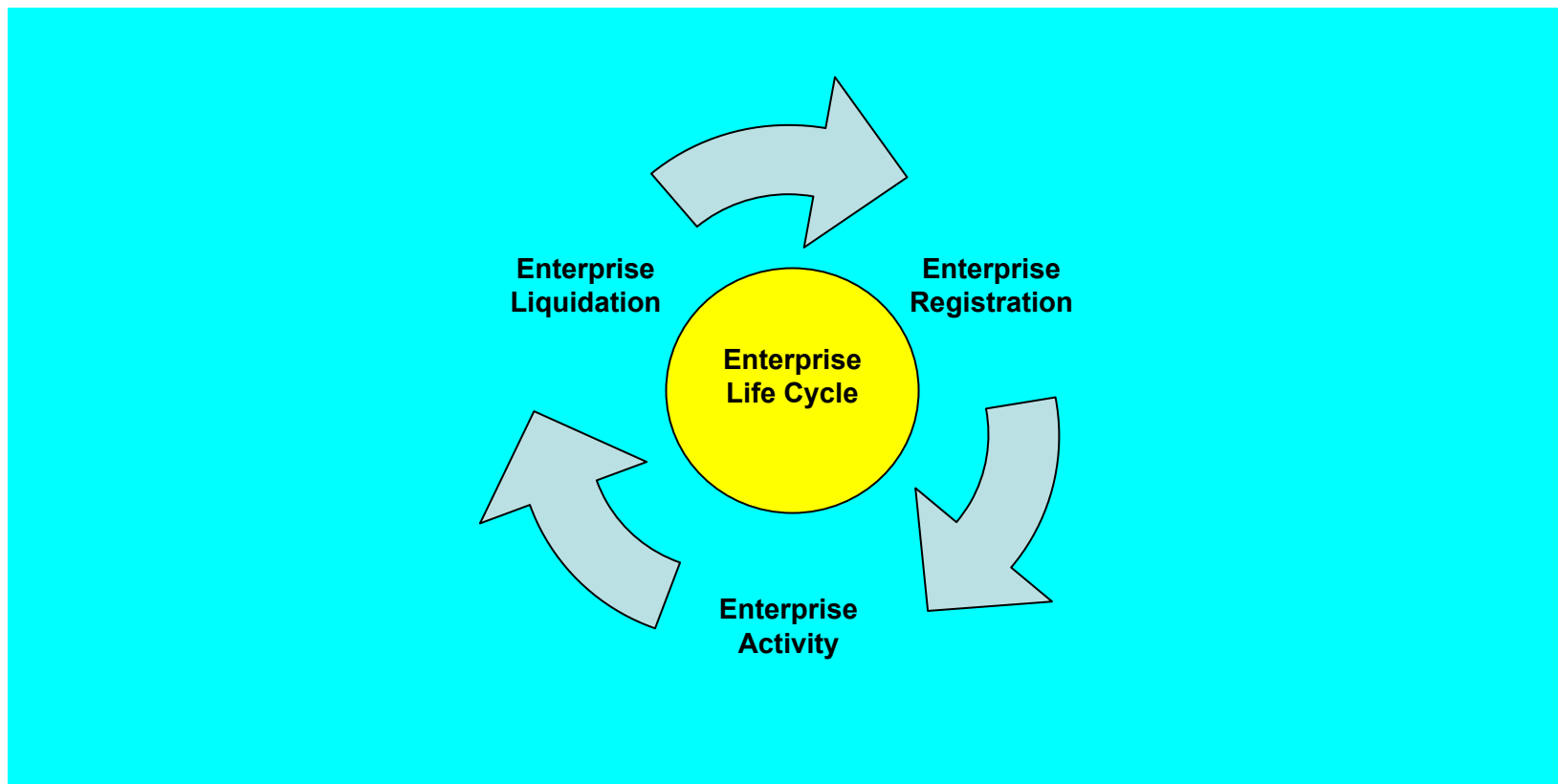


## **‘Big’ left outs**

- Liquidation of business
- Reporting to some state agencies



## Regulation of an Enterprise during its Life Cycle



Source: Osmochescu, E., *Capacity Building of State Specialized Inspection Agency of Mongolia, Government of Mongolia, Ulaanbaatar, May 2007.*



## Lessons Learned (I)

- Underestimation of potential number of acts to be revised
- Inclusion for revision and assessment of local public authorities' acts. In this case the work load is not real taking into account 6 months and available financial and human recourses
- Lack of real communication strategy of the central level with local levels, where most of business in need is *and*
- Low quality involvement in the exercise of private sector representatives from the capital city where 70% of business is, except foreign investors
- Lack of financial and human resources from the side of the Government, fact leading to a need of foreign TA



## Lessons Learned (II)

- Part of the members of the NWG did not take the exercise seriously
- Old mind set in case of most ministries. It took a while to “educate” them which led to time loss and low quality of the interaction between the ministries and NWG, which resulted in extra work load for TA
- An education/communication/branding campaign needed before the technical process starts, so that ministries would take more seriously the obligations inserted in the law



**USAID** | **BIZTAR**  
FROM THE AMERICAN PEOPLE

Thank you!