

REPORT
ON STATE AIDS GRANTED IN THE
REPUBLIC OF MOLODVA DURING
2017

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ABBREVIATIONS AND ACRONYMS

Association Agreement	The Association Agreement between the Republic of Moldova on the one hand and the European Union and the European Atomic Energy Community and their Member States on the other, ratified by the Law no.112 of 02.07.2014 (published in the Official Gazette No 185-199 of 18.07.2014)
ASM	Academy of Science of Moldova
AIPA	Agency for Interventions and Payments in Agriculture
Reporting year	01.01.2017-31.12.2017 time framework
CPAs	Central Public Authorities
LPAs	Local Public Authorities
WBG	World Bank Group
EBRD	European Bank for Reconstruction and Development
NBM	National Bank of Moldova
NBS	Moldova National Bureau of Statistics
SMEs	Small and medium enterprises
Law on State Aid	Law no.139 of 15.06.2012 on state aid (published in the Official Gazette No. 166-169a of 16.08.2012)
OG	Official Gazette of the Republic of Moldova
p.p.	Percentage points
IP	Industrial Park
GDP	Gross Domestic Product
SGEIs	Services of general economic interest
SIRASM	The Automated Information System "State Aid Register", elaborated in accordance with the Government Decision No.378 of 27.05.2014 for the approval of the Concept of the Automated Information System "State Aid Register" (published in the Official Gazette No. 142-146 of 03.06.2014)
EU	European Union
GVA	Gross Value Added

INTRODUCTION

State aid policy is an important component of competition policy due to the effects of state intervention on the economic environment. The permanent monitoring of state aids is aimed at eliminating unjustified distortion of competition and better targeting support measures, thus contributing to the development of the entire economy.

The authority that is responsible for authorizing, monitoring and reporting state aid in the Republic of Moldova is the Competition Council.

In accordance with Article 21 (3) of the Law on State Aid, the Competition Council prepares an annual report on the granted aid. According to the state aid legislation, the providers were to submit information to the Competition Council on State aid and de minimis aid granted in 2017 and the updated information for 2015 and 2016 by 31 March 2018.

Based on the information submitted by the providers, this report, which is the fifth report in the field since the entry into force of the Law on State Aid, was elaborated.

The report analyses both existing aid, which continued to be granted in the reporting year, as well as new aid and de minimis aid.

In this context, it is to be mentioned that 203 providers informed the Competition Council about the support measures granted during 2017. The information was presented by the CPAs and their subordinated institutions, LPAs of level I and II and legal entities.

This report is a statistical tool to ensure transparency in state aid, thus providing relevant information to the CPAs and LPAs for policy-making in various areas of the national economy and making decisions about efficient targeting of available public resources. At the same time, it can be an informational base for various scientific researches.

This report includes an analysis of the value, structure and trends over the last three years in granting state aid, de minimis aid, state aid granted for the provision of SGEIs, monitoring of authorized state aids and reflects the implementation of SIRASM. At the same time, this report contains information on the fulfilment of the commitments made by the Republic of Moldova through the Association Agreement on the alignment of the existing state aid schemes.

Many support measures have been granted for many years and in order to describe the actual state aid situation, a dynamic reflection of the state aid structure provided in 2015-2017 is needed.

The reported data for the years 2015 and 2016 were updated and corrected in accordance with the provisions of Government Decision no. 1112 of 06.10.2016 for the approval of the Regulation on the way of maintaining the State aid Register. During the reporting period, the providers informed the Competition Council about other support measures granted in the years 2015 and 2016. It should be noted that the updating and correction of the state aid data provided in the previous years is in line with the EU State Aid Methodology.

Chapter I of the report presents the socio-economic analysis of the Republic of Moldova for 2017.

Chapter II presents the analysis of the value, structure and tendencies registered in granting State aid in 2017. At the same time, the state aid schemes are reviewed in the light of the state aid legislation.

Chapter III presents an analysis of the value and trends in the provision of de minimis aid and support measures provided for the provision of SGEIs in 2017.

Chapter IV presents the main findings regarding the monitoring of state aids authorized by the Competition Council, which were in progress in 2017.

Chapter V is dedicated to the Automated Information System "State Aid Registry".

Annex I reflects information on the state aid field analysed in the report, state aid objectives and sources of data collection.

The legal acts under which the support measures were granted in 2017 are listed in *Annex II*.

The summary state aid reported in the reference year and for the 2015-2017 period by objectives and forms of grant is reflected in *Annex III*.

Annex IV provides information on state aid forms of granting and state aid providers.

Chapter I. THE SOCIO-ECONOMIC SITUATION OF THE REPUBLIC OF MOLODVA

In 2017, the world economy grew with 3.7%, which is 0.5 p.p. more than in 2016.¹

In the Republic of Moldova, in 2017, the GDP amounted to 150,369 million MDL (current market prices), increasing (in real terms) with 4.5% compared to 2016 (semi-final)².

The following economic activities contributed to GDP growth in 2017 as compare to 2016: wholesale and retail, maintenance and repair of motor vehicles and motorcycles; transport and storage; accommodation and catering (+ 1.3%); agriculture, forestry and fishing (+ 1.0%); extractive industry and manufacturing; production and supply of electricity and heat, gas, hot water and air conditioning; water distribution; sanitation, waste management, decontamination activities (+ 0.4%); information and communications (+ 0.2%); construction (+ 0.1%).

GVA on the economy increased with 3.8% compared to the previous year, contributing to 3.3% GDP growth.

The volume of product taxes increased with 6.9% compared to 2016, contributing to 1.1% GDP growth.

In terms of GDP growth, mainly households' final consumption (+ 4.2%) and gross fixed capital formation (+ 1.2%) were the main drivers. Negative contribution to GDP growth was recorded by net exports (-2.7%).

In 2017, exports of goods amounted to 2 425.1 million USD, 18.6% more than in 2016. Imports of goods amounted to 4,831.4 million USD, 20.2% more than in 2016. Trade balance ended with a deficit of 2 406.3 million USD, with 430.5 million USD (+ 21.8%) more than in 2016.³

In 2017, the employed population constituted 1 207.5 thousand people. The number of the unemployed, as defined by the International Labor Office, was 51.6 thousand, which is 1.7 thousand less than in 2016. The country's unemployment rate constituted 4.1%, being less than that recorded in 2016 (4.2%)⁴.

In 2017, the average annual rate of consumer price index constituted 6.6%, being 0.2 p.p. higher than in 2016. The upward trend in inflation was due to rising tariffs for some regulated services and atypical weather conditions that led to higher prices for fruit and vegetables⁵.

¹Bright prospects, optimistic markets, challenges in the future, International Monetary Fund, January 2018, <http://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018>

²Gross domestic product in 2017 and IV quarter 2017
<http://www.statistica.md/newsview.php?l=ro&idc=168&id=5942>

³ Foreign trade activity of the Republic of Moldova in 2017
<http://www.statistica.md/newsview.php?l=ro&idc=168&id=5908>

⁴ Labour force in the Republic of Moldova. Employment and Unemployment 2018, National Bureau of Statistics, Chisinau, 2017
http://www.statistica.md/public/files/publicatii_electronice/Fora_de_munca/AFM_2018_rom.pdf

⁵ Annual Report 2017, National Bank of Moldova, Chisinau, 2018,
http://bnm.md/files/RA_2017_RO_ISBN.pdf

At the same time, the respective inflation path was also supported by the impact of the adjustment of excise duties on some product categories as well as by the effect of a reduced base period in 2016.⁵

According to the State Budget Execution Report for 2017, in 2017, revenues to the national public budget amounted to 53 377.6 million MDL, which is 101.1% compared to the annual provisions.⁶ Compared to the accumulations of 2016, revenues increased with 16.2%.

In the structure of the national public revenues, the largest share held taxes and duties - 64.6% (34 475.8 million MDL), of which: taxes and duties on goods and services - 24 615.7 million MDL, income taxes - 7 722.8 million MDL, taxes on foreign trade and foreign operations - 1 591.1 million MDL and property taxes - 546.2 million MDL. As a share of GDP, taxes and duties in 2017 constituted - 22.9%, with 1.3 p.p. more than the level of 2016.

In 2017 from the total amount of the national public budget revenues, 62% is the revenue administered by the State Tax Service and 38.2% - the revenues managed by the Customs Service.⁶

In 2017 grants were disbursed in the amount of 1,008.8 million MDL, 26.5% less than in 2016. In the structure of the national public budget revenues, the grants constituted about 1.9%. Of the total budget, budget support is about 73.4%, and 26.6% is for projects funded from external sources. The share of grants in GDP amounted to about 0.7%.⁶

Public expenditures amounted to 54 522.4 million lei MDL in 2017, which represents 36.3% of GDP and 93.2% of annual provisions. The expenditures of the national public budget in 2017 exceed with 12.5% their level in 2016. Compared to GDP, public expenditures show an increase of 0.5 p.p. compared to 2016.⁶

The debt tools used in 2017 were: the sale of state securities in the primary market, amounting to 600 million MDL; the sale of state securities issued for the creation of a liquidity reserve worth 508.9 million MDL; and other.⁶

The year 2017 ended with a budget balance of the national public budget (deficit) in the amount of 1 144.8 million MDL. Compared to GDP, the budget balance represents 0.76%, 1.09 p.p. less than in 2016 (2,508.7 million lei) and 1.1 p.p. compared to the forecast.

The financing of the national public budget deficit was made from internal and external sources, as well as from the funds from the balances to the accounts of the national public budgets.⁶

⁶ Report on State Budget Execution for 2017,
<http://www.parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/4217/language/ro-RO/Default.aspx>

Chapter II. ANALYSIS OF REPORTED STATE AID

2.1. Overall characterization

The state aid reflected by this chapter covers all the support measures reported for 2017, namely: the existing aids (state aid which started to be implemented before the entry into force of the State Aid Law) and new state aids (any state aid that is not an existing aid, including changes to existing aid).

In accordance with art. 342 par. (1) of the Association Agreement, as of 01.01.2016, the Republic of Moldova is to submit a report every two years, following the methodology and presentation of the EU annual state aid analysis. With reference to the above and in line with EU⁷ experience in the State aid analysis, state aid granted under the general framework is examined separately from state aid granted for SGEI and de minimis aid.

In order to obtain a more comprehensive picture of the state aids reported, the value of the state aid presented in Table no.1 includes state aid granted to enterprises for the provision of SGEIs and the estimated value of the support measures granted under the Tax Code and the normative framework that comes into its application.

Table nr.1

Reported state aid in the period 2015-2017 including state aid granted for the provision of SGEIs

Nr.	Indicators	2015*	2016*	2017	
				Reported	Estimative (including the value of support measures granted in the form of tax)
1.	State aid expressed in:				
1.1.	<i>Thousand MDL</i>	6 052 541	2 904 294	827 078	1 944 506
1.2.	<i>Thousand Euro **</i>	289 595	131 714	39 706	93 351
2.	Share in GDP, %	4.94	2.15	0.55	1.29
3.	State Aid per capita*** - MDL	1 702	817	233	546
4.	State Aid per capita - Euro	81	37	11	26

*the data is updated according to the information submitted by the state aid providers

** calculated on the basis of the average annual report of MDL to Euro, the NBM source (MDL / euro year 2015 = 20.90, year 2016 = 22.05, year 2017 = 20.83)

*** the number of inhabitants is in line with the information placed on the NBS web site

The information presented for the years 2015 and 2016 is different from the data for the same year presented in the previous reports. This is because some of the data reported for the years 2015 and 2016 have been updated and corrected by providers. At the same time, additional information was submitted by providers on new support measures granted during the period 2015-2016.

The estimated aid amount for 2017 was calculated taking into account the state aid schemes under review, the provisions of the EU legislation in the field and the information presented for the previous years. For 2017, the Ministry of Finance and its subordinate administrative authorities (Customs Service and State Tax Service) provided incomplete information on support measures in the form of tax incentives. Incomplete information is also due to the mechanism for recording support measures in the form of insufficient tax incentives to provide the necessary information for their examination under the state aid legislation. It is specified that the Competition Council has worked with the Ministry of Finance in order to ensure the reporting by the supplier of the state aid provided in the form of fiscal facilities. Priority action in this respect was the review of existing state aid schemes granted as fiscal facilities in accordance with the provisions of the State aid legislation.

In 2017, the amount of state aid reported was 827,078 thousand MDL or 0.55% of GDP. The evolution of the indicators analysed in relation to the previous years was also determined by the completion of the support measures period (including in the financial sector) and the review of state aid schemes granted as fiscal facilities and implemented until the entry into force of the Law with regard to State aid.

In 2017 state aid was granted to 2,301 legal and physical persons carrying out economic activity.

Out of the total amount of state aid reported for 2017, respectively 827,078 thousand MDL, the amount of state aid authorized by the Competition Council amounted to 240,453 thousand MDL (29.07% of the total value), the difference being represented by the existing aid and support measures being under examination at the Competition Council. In this respect, it is noted that the state aid authorized by the Competition Council in 2017 increased compared to 2016 both in value and as a weight in the total value of the reported state aid.

The increase of the amount of state aid authorized by the Competition Council is also due to a competition advocacy in the field of state aid, several seminars and consultative meetings with the providers being organised during the year.

The evolution of the level of state aid granted under the general framework in the period 2015-2017, taking into account the methodology and presentation of the EU annual State aid analysis, is presented below.

Reported state aid in the period 2015-2017

Nr.	Indicators	2015*	2016*	2017
1.	Reported state aid (excluding SGEIs, the estimated state aid) expressed in:			
1.1.	Thousand MDL	4 968 920	2 693 270	665 435
1.2.	Thousand Euro**	237 747	122 144	31 946
2.	Share in GDP, %	4.05	1.99	0.44
3.	State aid (excluding SGEIs) per capita *** -MDL	1 398	758	187
4.	State aid (excluding SGEIs) per capita *** -Euro	67	34	9

*the data is updated according to the information submitted by the state aid providers

** calculated on the basis of the average annual report of MDL to Euro, the NBM source (MDL / euro year 2015 = 20.90, year 2016 = 22.05, year 2017 = 20.83)

*** the number of inhabitants is in line with the information placed on the NBS web site

The amount of state aid reported for 2017 decreased significantly compared to 2016 and 2015. Thus, the amount of reported state aid decreased in 2017 with 75.29% compared to 2016 and with 86.61% in relation to 2015. This decrease is largely due to the completion of the period of support measures reported in the previous year (including state aid granted in the financial sector), the review of some state aid schemes implemented until the entry into force of the Law on State Aid, but also the presentation of incomplete information regarding the state aids granted under the Tax Code and the normative framework that comes into its application.

According to the provisions of Government Decision no. 1112 from 06.10.2016 for the approval of the Regulation on the way of maintaining the State Aid Register, the state aid providers were to present separately the information on value of the support measures granted from the state resources and from the external funds. In line with the EU State aid practice, the resources provided by the EU, the European Investment Bank, the European Investment Fund or international financial institutions are considered as State resources if the national authorities have discretionary powers concerning the use of these resources (in particular the selection of beneficiaries). In 2017, state aid from foreign funds accounted for about 0.02% of the amount of state aid reported.

In 2017, the share of state aid in GDP in Moldova amounted to 0.44%. This indicator diminished with 1.55 p.p. compared to 2016 and with 3.62 p.p. compared to 2015. This was also determined by the significant decrease in the amount of state aid reported over the previous years and by the increase of the GDP value.

Expressed in euro, the amount of reported state aid registered a downward trend over the period 2015-2017. In this respect, it is specified that in 2017 the value of state aid decreased with 73.90% compared to 2016 and with 86.59% compared to 2015.

In 2017, the state aid per capita decreased, it decreased with 75.33% in 2017 compared to 2016 and with 86.62% as compared to 2015.

In 2017, the National Competition and State Aid Program for 2017-2020 was approved (by Law No 169 of 20.07.2017, published in OG No. 301 -315/533 of

18.08.2017). One of the specific objectives of the National Competition and State Aid Program for 2017-2020 is the establishment of a performant mechanism for granting and monitoring state aid to reduce the share of state aid in GDP to 1% by 2020, so the state aids should be fewer but better targeted.

State aid must be provided in such a way as to ensure more efficient targeting of public resources, contributing to the correction of market failures and the development of the national economy. What is important is that there must always be a causal link between the granting of State aid and the market failures to which they are addressed.

State aid is only justifiable in areas / fields where different market failures occur and the amount / level of aid granted must be proportionate to the level of the failure to be offset.

Any surplus amount granted to undertakings has the potential to grant them an unjustified economic advantage, which is likely to have an adverse effect on competition in the market. In this situation, the negative effects of granting State aid tend to overcome the positive effects of granting them.

The opportunity to grant aid, their amount, as well as the concrete way or the most appropriate tool to be granted, must be determined by studies and opportunity analyses carried out before the actual support measure is put in place.

According to good international practices in the field of state aid, it is recommended to reduce the general level of state aid so that this indicator is less than 1% of GDP without compromising the purpose of the support measures, namely the correction of market failures.

2.2. Review of existing State aid schemes in accordance with State aid law

According to art. 341 of the Association Agreement, one of the commitments made by the Republic of Moldova is the alignment of the state aid schemes established before 16.08.2013 with the EU state aid acquis, within 8 years from the date of entry into force of the Association Agreement. There is an exception for the state aid schemes established under Law no. 440 of 27.07.2001 on free economic zones for which the period was extended to 10 years from the date of entry into force of the Association Agreement.

During the activity, several support measures implemented before the entry into force of the State Aid Law, have been examined. In this respect, one of the priority actions was the initiation of a review of the state aid schemes granted as fiscal facilities. Thus, in cooperation with the Ministry of Finance, the state aid schemes implemented before the entry into force of the state aid legislation, including:

- ***The support measure concerning the exemption from customs duty, customs and VAT, applied to the import of T.I.R carnet blanks.***

(Competition Council's Plenum Decision ASRE-46 of 28.06.2018)

The support measure is granted on the basis of Art. 7 of the Convention no. 1975 of 14.11.1975 on the international carriage of goods under T.I.R. carnets * Convention (T.I.R.).

As a result of the examination of the support measure it was found that the tax incentives granted upon importation of T.I.R. carnets are set out in the Convention, which constitutes an international treaty. By signing the Convention, the Republic of Moldova assumed responsibility for the implementation of the provisions of the Convention. Therefore, the Republic of Moldova has the obligation to implement the provisions of art. 7 of the Convention without any discretionary power. The support measure examined is the result of an international treaty. According to the provisions of art. 1 par. (2) of the Law on State Aid, if the international treaties governing state aid to which the Republic of Moldova is a party lay down provisions and provisions other than those provided for by law, the provisions and provisions of the international treaty shall apply. Thus, the aid measure examined is not imputable to the State.

Taking into account that the support measure is not imputable to the state and does not distort or risk distorting the competitive environment, being only one market participant, it was found that the analysed support measure does not cumulate the criteria provided by art. 3 of the Law on State Aid. Therefore, the tax incentives granted on T.I.R. carnets importation does not constitute State aid within the meaning of the State Aid Law.

- ***The support measure regarding the entire exemption from the payment of import duties and the entire exemption from the payment for environment pollution of the goods brought into / out of the customs territory of the country by the economic agents from the Eastern districts of the Republic of Moldova registered in PI " Public Services Agency ", provided the goods remain in the uncontrolled territory by the constitutional bodies. (Competition Council's Plenum Decision ASER-54 of 05.07.2018)***

The support measure is granted on the basis of the provisions of Article 4 paragraphs (5) - (6) of the Law no. 1380 of 20.11.1997 on the customs tariff, art. 4 par. (2) of Law no.1417 of 17.12.1997 for the implementation of Title III of the Fiscal Code, art. 4 paragraph (5) of Law no.1054 of 16.06.2000 for the implementation of Title IV of the Fiscal Code, art. 11 paragraph (6) of the Law no.1540 of 25.02.1998 on payment for environmental pollution as well as in accordance with the Government Decision no.1001 of 19.09.2001 regarding the declaration of goods by the economic agents from the eastern districts of the Republic of Moldova, Government Decision no. 792 of 08.07.2004 on the approval of the Regulation on the transport of goods through internal customs control posts to economic agents from the eastern districts of the Republic of Moldova registered at the State Registration Chamber, reorganized by merger with Public Institution "Public Services Agency" based on the Government Decision no. 314 of 22.05.2017, regarding the establishment of the Public Services Agency.

In the examination of the fiscal facility it was found that fiscal relations with the budgetary system are the basis for the occurrence of the budgetary obligation, respectively of the legal reports between the state and the persons determined by the law (taxpayers). Thus, taxation is applied to persons who have fiscal relations with the national budgetary system.

Taking into account the logic of the tax regime and the fact that of the exemption benefits economic agents who do not have fiscal relations with the budgetary system of the Republic of Moldova it was found that by the given measure it is not dropped out any future, certain or possible budgetary revenue.

Thus, through the support measure granted on the basis of Government Decision no. 1001 of 19.09.2001 regarding the declaration of goods by the economic agents from the eastern districts of the Republic of Moldova, there is no renunciation of the state revenues to be received from the economic agents from the eastern districts of the Republic of Moldova because the beneficiary of the measure does not may be considered a taxpayer within the meaning of Art. 5 par. 2) of the Fiscal Code of the Republic of Moldova, as long as they have no fiscal relations with the country's budgetary system.

It is mentioned that the exemption from the payment of taxes and fees of legal entities and physical entities, entrepreneurial subjects, located on the territory of the Republic of Moldova and registered under PI "Public Services Agency", but which do not have fiscal relations with the country's budgetary system, is granted in accordance with the fiscal and customs policy of the Republic of Moldova.

Taking into account the fact that through the given measures there is no delivery of public goods to a beneficiary or the renunciation of the provider of certain, likely or possible future budget revenues, which he would obtain from a beneficiary because he does not have fiscal relations with the budgetary system of the country, it was found that this measure is not granted by the provider from state resources or from the resources of the administrative-territorial units in any form.

With reference to the fact that at least one of the conditions provided in art. 3 of the Law on State Aid was not met, it was found that the aid measure examined did not constitute State aid.

- ***Measures to support: 1) the reduction of sugar beet imports to the limit of quotas, granted to EU member countries and countries with which Moldova has no free trade agreements; 2) application of the reduced customs duty on imports of sugar and sugar products within the limit of tariff quotas; 3) application of the reduced VAT rate on the import of beet sugar. (Competition Council's Plenum Decision ASER-65 of 13.09.2018)***

The reported support measures were granted under Article 96 b) of the Fiscal Code; Chapter 17 of the Combined Nomenclature of Goods, Annex to Law no. 172 of 25.07.2014 regarding the approval of the Combined Nomenclature of Goods and the Government Decision no. 114 of 22.02.2012 on the administration of tariff quotas for the import of white sugar and sugar products.

During the examination of the support measures it was found that according to art. 339 par. (2) of the Association Agreement, the State Aid chapter does not apply to State aid related to fisheries, products covered by Annex 1 to the Agreement on Agriculture or other aid covered by the Agreement on Agriculture.

Sugars and sugar products are the products specified in point 1 i) of Annex 1 to the Agreement on Agriculture (compliance with the provisions and its full implementation being a commitment assumed by the Republic of Moldova by the Government Decision No. 1035 of 16.10.2000 regarding the fulfilment of the commitments assumed by the Republic of Moldova towards the World Trade Organization).

According to point 3 and Annex no. (1) to the Regulation on the form of notification, the procedure for the examination and adoption of decisions on State aid, with subsequent amendments, the sugars and sugar products (Chapter 17 of Law No 172 of 25.07.2014 on the approval of the Combined Nomenclature) are one of the agricultural products to which the Law on State Aid does not apply.

As a result of the analysis carried out, it was found that the given support measures did not fall under the State Aid Law.

- ***The support measure for the entire exemption from VAT for the services delivered by the agricultural cooperatives providing services, established in accordance with art. 87 of the Law no. 73 of 12.04.2001 on the cooperatives of entrepreneurs, members of this cooperative, provided that at least 75% of the total value of the cooperative's deliveries is the value of the goods and services delivered to the members of the cooperative and the value of the goods delivered to the cooperative by its members. (Competition Council's Plenum Decision ASER-68 of 20.09.2018)***

The support measure was granted on the basis of the provisions of art. 103 paragraph (1) point 22) of the Fiscal Code. The examination of the tax facility in question reveals that it is not selectively granted because a derogation for cooperatives is justified by the fact that only deliveries to members of the cooperative are exempted and vice versa and that VAT may subsequently be collected at the level of deliveries to third parties.

By decision of the Competition Council Plenum it was found that the support measure granted on the basis of the provisions of art. 103 paragraph (1) point 22) of the Fiscal Code of the Republic of Moldova does not constitute state aid within the meaning of art. 3 of the Law on State Aid.

- ***Support measure for exemption from customs duty on the import of "twist-off" common metal lids. (Competition Council's Plenum Decision ASR-82 din 30.11.2018)***

The support measure was granted on the basis of Annex no. 1 of the Law no. 1380 of 20.11.1997 on the customs tariff. Annex no. 1 to the Law no. 1380 of 20.11.1997 on the customs tariff was abrogated by Law no. 172 of 25.07.2014 approving the Combined Nomenclature of Goods.

According to Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Commodities, the "twist-off" common metal lids have been classified under tariff position 8309 90 900 with the duty rate of 5%. Adoption of Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods, led to the elimination of tax incentives on the import of "twist-off" common metal lids, so the given support measure aligned with the provisions of the EU legislation.

By decision of the Competition Council Plenum, it was found that the customs duty on imports of "twist-off" common metal lids under tariff position 8309 90 900 of Annex no. 1 of the Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods does not constitute State aid within the meaning of Art. 3 of the Law on State Aid.

- ***The support measure for the VAT exemption without the right to deduct passenger transport services on the territory of the country and the sale of tickets for passenger transport on the territory of the country. (Competition Council's Plenum Decision ASO-83 din 20.12.2018)***

The support measure is granted on the basis of the provisions of art. 103 par. (1) point 17 of the Fiscal Code. As a result of the examination of the tax facility in question, it was found that the VAT exemption without right to deduct passenger transport services on the territory of the country and the ticket sales services for the transport of passengers on the territory of the country do not confer a selective advantage or an unjustified difference in treatment to the undertakings, being established in benefit of the final consumer. Thus, the given support measure is not selectively granted.

With reference to the fact that at least one of the conditions provided in art. 3 of the Law on State Aid was not fulfilled, the Competition Council's Plenum Decision found that the aid measure examined did not constitute State aid.

- ***The support measure for the provision of tax and customs facilities for goods and services destined for financial assistance projects provided by the Global Fund to Fight HIV / AIDS, Tuberculosis and Malaria. (Competition Council's Plenum Decision ASO-84 din 20.12.2018)***

The analysed support measure is granted on the basis of the provisions of art. 4 par. (13¹) of Law no. 1417 of 17.12.1997 for the implementation of Title III of the Fiscal Code, art. 28 of the Law no. 1380 of 20.11.1997 on the customs tariff, point 1¹ of the note in Annex 2 to the Law no. 1380 of 20.11.1997 on the customs tariff.

As a result of the examination of the support measure, it was found that this was granted on the basis of the provisions of Grant Agreement no. MOL-809-G06-H and no. MOL-809-G05-T, as well as the Agreement on Granting Privileges and Immunities to the Global Fund to Fight HIV / AIDS, Tuberculosis and Malaria (ratified by Law No. 207 of 21.10.2011), which constitute international treaties. By concluding these Agreements, the Republic of Moldova has assumed the responsibility to enforce the provisions of the Agreements without any discretionary

power. The support measure examined is the result of an international treaty. According to the provisions of art. 1 par. (2) of the Law on State Aid, if the international treaties governing state aid to which the Republic of Moldova is a party lay down conditions and provisions other than those provided for by law, the conditions and provisions of the international treaty shall apply. Thus, the aid measure examined is not imputable to the State.

Taking into account the fact that the support measure is not attributable to the state, it was found that the analysed support measure does not cumulate the criteria provided by the provisions of art. 3 of the Law on State Aid. Thus, by the Competition Council Plenum Decision, it was decided that the tax and customs facilities offered for goods and services destined for financial assistance projects offered by the Global Fund to Fight HIV / AIDS, Tuberculosis and Malaria did not constitute state aid within the meaning of the Law on State aid.

- ***Support measures regarding the granting of tax and customs facilities for the goods and services meant to implement the "Compact" Program.***
(Competition Council's Plenum Decision ASO-85 of 20.12.2018)

The support measures in question are granted on the basis of the provisions of section 2.8 and Annex VI of the Compact Agreement of the Millennium Challenge Corporation signed between the United States of America through the Millennium Challenge Corporation and the Republic of Moldova; art. 1 of the Agreement between the Government of the United States of America and the Government of the Republic of Moldova on cooperation to facilitate the provision of assistance; art. 24 par. (23⁴) of Law no. 1164 of 24.04.1997 for the implementation of Titles I and II of the Fiscal Code; art. 4 par. (13⁴) of Law 1417 of 17 December 1997 for the implementation of Title III of the Fiscal Code; point 2 of the Regulation on the application of the fiscal and customs facilities established by the "Compact" Agreement, approved by the Government Decision no. 949 of 12.10.2010.

The support measures in question were granted on the basis of the provisions of the "Compact" Agreement between the Republic of Moldova and the United States of America (ratified by Law No. 125 of 18.06.2010), which is an international treaty. By concluding this Agreement, the Republic of Moldova has assumed responsibility for the application of the provisions of that Agreement without any discretionary power. The support measure examined is the result of an international treaty. According to the provisions of art. 1 par. (2) of the Law on State Aid, if the international treaties governing state aid to which the Republic of Moldova is a party lay down conditions and provisions other than those provided for by law, the conditions and provisions of the international treaty shall apply. Thus, the aid measure examined is not imputable to the State.

Taking into account that the support measures analysed are not attributable to the state, it was found that they do not meet cumulatively the criteria provided by the provisions of art. 3 of the Law on State Aid. The Competition Council Plenum Decision found that the tax and customs facilities offered for goods and services

intended to implement the "Compact" Program did not constitute State aid within the meaning of the State Aid Law.

- ***The support measure applied to the import of coloured glass bottles of a nominal capacity exceeding 0.33 l but not more than 0.375 l (Competition Council's Plenum Decision ASR-86 of 20.12.2018)***

The support measure examined was granted on the basis of Annex no. 1 of the Law no. 1380 of 20.11.1997 on the customs tariff. Annex no. 1 to the Law no. 1380 of 20.11.1997 on the customs tariff was abrogated by Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods entered into force on 01.01.2015.

In the examination of the support measure, it was found that, according to the Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods, the provision concerning the exemption for imports of coloured glass bottles of a nominal capacity exceeding 0.33 l but not more than 0.375 l was excluded. A customs duty of 10% was established for sub-position 7010 90 530. Adoption of Law no. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods has led to the elimination of fiscal facilities for the import of coloured glass bottles with a nominal capacity of more than 0.33 l but not more than 0.375 l so the given support measure has been aligned with the legislation The European Union.

By decision of the Plenum of the Competition Council, it was found that the customs duty on imports of coloured glass bottles of nominal capacity exceeding 0.33 l but not more than 0.375 l provided under tariff position 7010 90 530 of the nomenclature of Law No 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods, does not constitute State aid within the meaning of Art. 3 of the Law on State Aid.

It is specified that according to the medium-term budgetary framework (2018-2020), approved by the Government Decision no. 609 of 28.07.2017, at the basis of the fiscal and customs policy for the period 2019-2021 will stand the Concept of rewriting the Fiscal Code and the Customs Code (updated). This document aims to harmonize the national legislative framework with the provisions of EU directives and to improve the existing legislative framework based on the agreed harmonization timetable. In accordance with the timetable for harmonization, the updating of Titles III and IV of the Fiscal Code is to be carried out during the year 2019.

As a result of the review of the state aid schemes implemented until the entry into force of the Law on state aid, the ratification of the Association Agreement and the changes in the national legislation, the value of the state aid decreased by 1.3% of the GDP.

2.3. Methods of granting state aid

Undertakings in the Republic of Moldova can benefit from support measures either as individual aids or through state aid schemes.

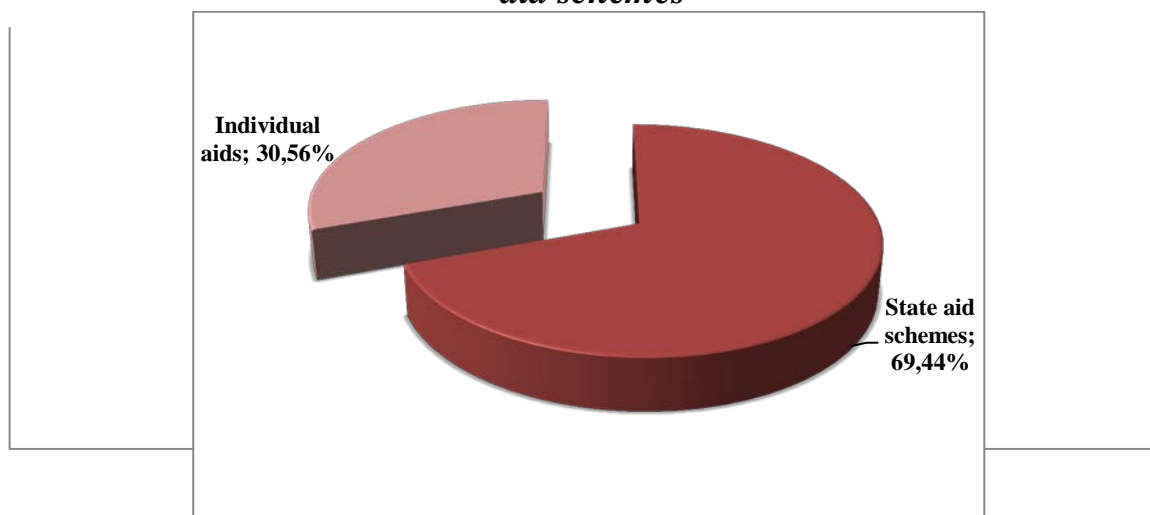
The State aid scheme within the meaning of the Law on State Aid is any act on the basis of which state aid may be granted to the beneficiaries defined in the act in a general and abstract manner without the need for additional application measures, or any act under which aid not linked to a specific project may be granted to one or more beneficiaries for an indefinite period of time and / or in an undetermined amount.

Individual aid is the state aid which is not granted under a state aid scheme or is granted on the basis of a scheme to be notified individually.

For the year 2017, state aid providers reported 72 support measures under the general framework (excluding SGEIs). According to figure no. 1 regarding the structure of the measures managed by the providers in 2017, referring to the modalities for granting state aids, it is found that the providers chose the implementation of the state aid schemes, these being 69.44% of the total number of measures reported.

Figure nr.1

Structure of state aid measures implemented in 2017 as individual aids or state aid schemes



In 2017, the same structure of support measures as for the granting of state aids was maintained as in 2016.

In terms of value, several state aids were also provided through schemes. The most significant state aid scheme, in terms of value, was implemented by the AIPA, which had the incentive to invest in the development of post-harvest and processing infrastructure, which is part of measure no. 2 regarding investments in the processing and marketing of agricultural products, from Annex no. 1 to the Government Decision no. 455 of 21.06.2017 on the allocation of the funds of the National Fund for Agriculture and Rural Development.

A comparative situation of these modalities, taking into account the amount of state aid granted through schemes or as individual aid, is presented in table no. 3.

Taking into account the methodology and presentation of the EU annual State Aid State aid analysis, a more detailed analysis of the state aid provided will be

presented, depending on the modalities of the grant, except for the support measures provided for the provision of SGEI. The analysis of the support measures granted for the provision of SGEI, depending on the modalities of granting, will be presented in Chapter 3, section no. 3.2. of the Report.

Table nr.3

*Value and structure of state aid depending on the modalities granted in
2015-2017*

Nr .	Type of State aid	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
<i>State Aid (excluding SGEIs)</i>							
1.	State aid schemes	4 115 197	82.82	2 665 528	98.97	630 602	94.77
2.	Individual state aid	853 723	17.18	27 742	1.03	34 833	5.23
	TOTAL	4 968 920	100	2 693 270	100	665 435	100
<i>State Aid (including SGEIs)</i>							
1.	State aid schemes	4 881 172	80.65	2 691 377	92.67	661 536	79.98
2.	Individual state aid	1 171 368	19.35	212 917	7.33	165 541	20.02
	TOTAL	6 052 541	100	2 904 294	100	827 078	100

According to the data presented in table no. 3 it is noticed that the share of state aid granted through the schemes increased compared to 2015 with 11.95 p.p.

The EU experience shows that State aid granted through schemes is, as a rule, less harmful to the competitive environment. The granting of support measures, mainly through state aid schemes, increases the accessibility of support measures, thus increasing the number of eligible economic operators and creating the necessary premises for sustainable social and economic development.

In order to make state aid more efficient and to apply good international practices in the field of state aid, it is necessary to continue the implementation of support measures through state aid schemes.

2.4. Forms of granting state aid

In order to grant state aid, providers may use different ways of supporting beneficiaries. Depending on public policy in a specific area and the specific nature of the businesses to be supported, the provider chooses a form of state aid that offers the best possible way to achieve the proposed objective. It should also be noted that the notion of State aid is an objective notion that does not take into account the form of granting, but its effects on the national economy.

State aid can be expressed through the transfer of public goods, including in the form of financial means, to a beneficiary, or by giving up to the provider certain future, possible or possible future revenue, he would obtain from a beneficiary.

State aid providers have offered support measures to enterprises operating on the territory of the Republic of Moldova, such as: 1) waiving of budget revenues, 2) budget expenditures.

In 2017, the amount of State aid reported as a waiver of budget revenues constituted 36.58% of the total state aid. The share of state aid granted in the form of waivers to budget revenues decreased in 2017 compared to previous years with 51.42 p.p. compared with 2016 and 52.86 p.p. compared to 2015.

In 2017, the share of state aid reported as budgetary expenditure increased from 10.56% in 2015 to 63.42% in 2017. This trend was due, including the review of state aid schemes implemented until the entry into force of the Law on State Aid.

The amount of state aid in terms of budget expenditures and waivers recorded in 2015-2017 is presented in table no.4.

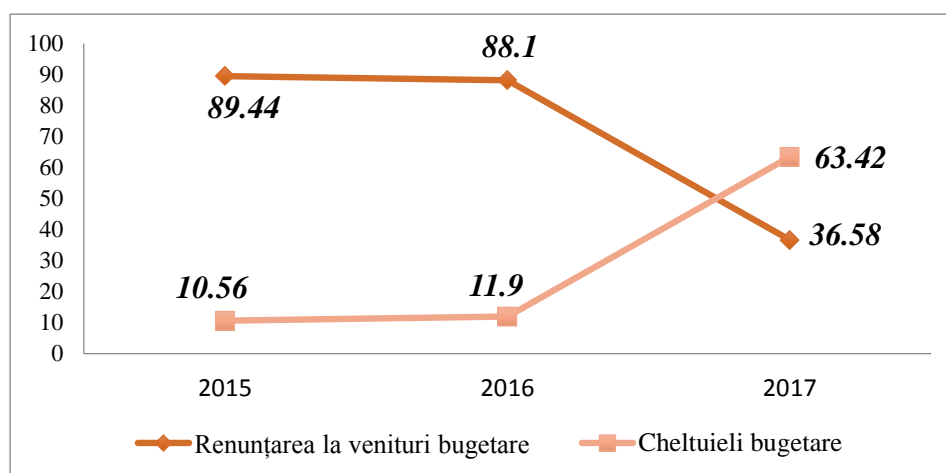
Table nr.4

Value and structure of the reported state aid from the perspective of budget expenditure / waivers in 2015-2017

Nr.	Category	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
<i>State Aid (excluding SGEIs)</i>							
1.	Budget revenue waivers	4 444 225	89.44	2 372 832	88.10	243 424	36.58
2.	Budget expenditures	524 695	10.56	320 438	11.90	422 011	63.42
	TOTAL	4 968 920	100	2 693 270	100	665 435	100
<i>State Aid (including SGEIs)</i>							
1.	Budget revenue waivers	5 387 935	89.02	2 541 665	87.51	350 932	42.43
2.	Budget expenditures	664 605	10.98	362 629	12.49	476 145	57.57
	TOTAL	6 052 540	100	2 904 294	100	827 077	100

The structure of state aid reported from the perspective of budget expenditures / waivers was determined by the form of state aid granted by providers. The structure of state aid reported from the perspective of budget expenditures / waivers in the period 2015-2017 and its dynamics is presented in figure no. 2

Structure and Dynamics of Reported State Aid (excluding SGEI) in terms of budget expenditures / waivers between 2015-2017 (%)



According to figure no. 2, in 2017 it is obvious an essential change in the state aid structure from the perspective of expenditure / budget waivers. Regarding the international practice in the field of state aid, the increase of the share of state aid reported as budgetary expenditures in 2017 shows a positive trend in the restructuring of the state support measures.

Under Article 6 (2) of the Law on State Aid, State aid may be granted in the form of:

- a) subventions and / or subsidies;
- b) cancellation or takeover of debts;
- c) exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments;
- d) granting loans with preferential interest;
- e) granting of guarantees on preferential terms;
- f) investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor;
- g) discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price.

The annual amount of State aid, depending on the form of the enterprise benefiting from these support measures, is presented in Table no. 5.

With reference to the methodology and presentation of the EU's annual State Aid State aid analysis, a more detailed examination of state aid provided in terms of the grant forms will be presented, with the exception of the support measures provided for the provision of SGEIs. It is specified that the analysis of the support measures granted for the provision of SGEI depending on the forms of granting will be presented in Chapter 3, section no. 3.2. of the Report.

Table no.5

Value and structure of state aid reported according to the form of granting, in the period 2015-2017

No	Form of granting	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Subventions and/or subsidies	524 695	10.56	320 438	11.90	422 011	63.4 2
2.	Cancellation or takeover of debts	0	0	0	0	0	0
3.	Exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	3 658 068	73.62	2 360 521	87.65	231 838	34.8 4
4.	Granting loans with preferential interest	755 051	15.20	881	0.03	562	0.08
5.	Granting of guarantees under preferential terms	6 568	0.13	6 656	0.25	4 224	0.63
6.	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	0	0	0	0	0	0
7.	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	24 539	0.49	4 774	0.18	6 800	1.02
	TOTAL	4 968 920	100	2 693 270	100	665 435	100

In 2017, the amount of state aid reported as subventions and / or subsidies increased with 31.70% as compared to 2016. This trend was also determined by the number and amount of support measures reported by providers in 2017 in the form of subventions and / or subsidies.

The share of state aid reported as subventions and / or subsidies increased significantly in 2017 compared to previous years. The largest share of state aid in the form of subventions and / or subsidies was provided in 2017 for regional development.

In 2017, the amount and weight of state aid reported as exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments decreased significantly compared to previous years. This development has been determined, including by the ratification of the Association Agreement, the completion of the support period and the review of state aid schemes implemented under the legislation in the field until the entry into force of the Law on State Aid.

The largest share of state aid in the form of exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments, granted on the basis of the Tax Code and the Law no. 1380 of 20.11.1997 on the customs tariff, have been qualified by providers as State aid for sectoral objectives. The support measures have been implemented before the entry into force of the State Aid Law, therefore these measures have not been notified to the Competition Council and have not been examined in the light of the provisions of the state aid legislation but will follow to be aligned with EU standards.

The amount of State aid reported in the form of preferential interest loans declined significantly in 2017 compared to previous years. The decrease in the amount of state aid reported in the form of preferential interest loans was determined, including by the completion of the state aid period in the financial sector, the review of state aid schemes to the provisions of the state aid legislation and the application of the methodology and the way to present the EU's annual state aid analysis.

The share of state aid in the form of loans with preferential interest in the total amount of State aid reported for 2017 increased by 0.05 p.p. compared to 2016. This dynamics was determined, including by the amount of State aid granted in other forms. In 2017, the bulk of state aid in the form of preferential interest loans was for SMEs support.

The amount of State aid reported as guaranties under preferential terms declined in 2017 with 36.53% as compared to 2016. This development was determined, including by the amount of State aid reported and the end of the support period. At the same time, in the reporting year, the share of the state aid granted in the nominated form increased. The largest share of the amount of state aid reported as guaranties under preferential terms was for regional development.

In 2017, the reported state aid in the form of discounts on price for goods and services provided (including free of charge) increased with 42.44% compared to 2016, but decreased with 72.29% compared to 2015. The significant decrease in the amount of State aid in 2017 compared to 2015 was mainly due to harmonization of the schemes of state aid implemented before the entry into force of the legislation on state aid with the Law on State aid, to completion of the period of support measures and to application of the methodology and presentation of the EU's annual state aid analysis.

As regards the share of state aid reported in the form of discounts on price for the goods and services provided (including free of charge), this increased over the period under review. The largest share of state aid in the form of discounts on price for the goods and services provided (including free of charge) was granted to SMEs.

Data on the amount of state aids reported on forms and objectives of granting can be found in Annex III.

The share of state aid in the form of waivers to budget revenues in the total amount of state aid registered in 2017 was determined by the amount of State aid reported as exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments.

In 2017, the share of the value of state aid in the form of exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments in the reported amount of state aid related to the waivers to budget revenues increased with 12.93 p.p. compared to 2015 and decreased with 4.24 p.p. in relation to 2016. The share of the amount of state aid in the form of exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments in the amount of the state aid related to the waivers to budget revenues increased from 82.31% in 2015 to 95.25% in 2017.

At the same time, in 2017, the share of state aids granted in the form of discounts on price for the goods and services provided (including free of charge) increased in the reported amount of the state aid related to the waivers to budget revenues, namely from 0.55% in the year 2015 to 2.79% in 2017.

The total weight of state aid reported in the form of preferential interest loans and preferential guarantees in the amount of State aid related to the reported revenue waivers decreased significantly from 17.14% in 2015 to 1.97% in 2017, as following the end of the state aid period in the financial sector.

As specified, in 2017 the state aid amount related to the budget expenditures constituted 63.42% of the state aid amount, being represented by the total amount of the state aid granted in the form of subventions and / or subsidies.

It is noteworthy that international experience shows that state aid such as the waiving of budgetary revenues (exemptions and reductions from taxes and duties, cancellation of penalties and late payment payments to state, etc.) is usually more harmful to the market economy than those in the form of budget expenditures (subventions, subsidies, etc.).

State aid in the categories of budget expenditure (subventions, subsidies, etc.) is considered less damaging to competition and more transparent and easier to quantify in the case of state aid schemes or individual aid.

It is therefore necessary to continue to take measures in order to increase the share of state aid provided in the form of budget expenditure in line with best international practices in the field of state aid.

2.5. Objectives of State Aid

According to the Law on State Aid, except for the derogations set out in Articles 4 and 5, the granting of State aid is considered incompatible with the normal competitive environment.

The categories of state aid, which according to Article 5 (1) of the Law on State Aid can be considered compatible with the competitive environment are: aid intended to remedy a serious disturbance of the economy; aid for training of employees and for creating new jobs; aid to support SMEs; aid for research, development and innovation; aid for environmental protection; aid to SGEI beneficiaries; aid for rescuing beneficiaries in difficulty; aid for business start-up by female entrepreneurs; sectorial aid, depending on the sectors of activity of the national economy; aid for regional development.

The assessment of the compatibility of State aid with a normal competitive environment is made according to the main objective established when allocating them.

In this report, State aid is analysed in the following categories, depending on the main objective of the grant:

1. **State aid for horizontal objectives** refers to state aid granted to legal and natural persons engaged in economic activity, irrespective of its field of activity, for the good execution of actions such as: promotion of investments, SMEs for consultancy and participation in fairs, employee training, job creation, research and development, innovation, environmental protection and other objectives.
2. **State aid for sectorial objectives** refers to State aid to a particular economic activity, for example: the rapid development of broadband electronic communications networks, public passenger transport services by rail and road, for railway undertakings, financial sector, etc.
3. **Regional development aid** is intended to support regional development by supporting investment and job creation by expanding and diversifying the economic activities of enterprises located in underdeveloped regions and encouraging businesses to set up new ones in these regions. Regional aid includes investment aid to large, small and medium-sized enterprises, regional aid for newly created small enterprises and, in exceptional circumstances, operating aid.
4. **Social aid granted to individual consumers, provided that they are granted without any discrimination based on the origin of the goods or services.**
5. **Aid for the promotion of culture and the preservation of cultural heritage** are aids for cultural purposes and activities such as museums, archives, libraries, artistic and cultural centres or areas, theatres, workshops, concert halls, other live entertainment organizations, filmographic heritage institutions and other similar artistic and cultural infrastructures, organizations and institutions; material, immobile and movable heritage, including archaeological sites, historical monuments, sites and buildings; natural heritage related to cultural heritage or whether it is officially recognized as a cultural or natural heritage by the competent public authorities of the state, etc.
6. **Aid to remedy damage caused by natural disasters or other exceptional situations.**
7. **State aid granted to beneficiaries for the provision of SGEIs** is State aid in the form of compensation granted to beneficiaries entrusted with the provision of SGEIs. It is specified that SGEIs are economic activities that are intended for the population and are in the company's interest, which undertakings would not provide (or would otherwise provide in terms of quality, safety, accessibility, equal treatment or universal access) without public intervention.

The value of state aid reported by objectives is summarized in table no. 6

Table no.6

**Value of state aid reported by objectives, in the period
2015-2017**

No.	Objective	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Horizontal objectives	403 552	8.12	172 451	6.40	153 122	23.01
1.1.	Research-development and innovation	284 791	5.73	72 329	2.69	74 912	11.26
1.2.	Environmental protection	42 097	0.85	20 937	0.78	24 265	3.65
1.3.	To support SMEs	10 788	0.22	9 844	0.37	29 533	4.44
1.4.	Support for staff training and job creation	65 876	1.33	69 219	2.57	16 358	2.46
1.5.	Rescue support	0	0	123	0	8 053	1.21
2.	Sectorial aid depending on sectors on national economy activity	2 100 418	42.27	260 032	9.65	133 467	20.05
3.	State aid for regional development	2 301 180	46.31	2 100 241	77.98	256 788	38.59
4.	Social aid granted to individual consumers, provided that they are granted without any discrimination based on the origin of the goods or services	51 146	1.03	0	0.00	0	0
5.	Aid for the promotion of culture and the preservation of cultural heritage	112 624	2.27	122 059	4.53	122 059	18.34
6.	Aid to remedy damage caused by natural disasters or other exceptional situations	0	0	38 487	1.43	0	0
7.	State aid value (excluding SGEIs)	4 968 920	100	2 693 270	100	665 435	100
8.	SGEI	1 083 620	17.90	211 024	7.27	161 642	19.58
9.	State aid value (including SGEIs)	6 052 541	100	2 904 294	100	827 078	100

* the share of State aid to SGEIs in total state aid, including State aid granted for the provision of SGEIs

With reference to the EU experience in the state aid analysis, State aid under the general framework will be further analysed.

The largest share of state aid reported for 2017 continued to be granted for regional development. The share of state aid for regional development in the total amount of state aid reported decreased from 46.31% in 2015 to 38.59% in 2017. This change was due to the review of some state aid schemes implemented until the entry into force of the Law on State Aid, as a result of which it was found that they do not constitute state aid.

The most significant support measure provided for regional development was the state aid notified by the AIPA to stimulate investments for the post-harvest and processing infrastructure, which is part of measure no. 2 regarding investments in the processing and marketing of agricultural products, from Annex no. 1 to the Government Decision no. 455 of 21.06.2017 on the allocation of the funds of the National Fund for Agriculture and Rural Development.

The value of state aid for sectoral objectives decreased in the reporting year compared to previous years, namely with 48.67% compared to 2016 and about twice compared to 2015. This evolution of the state aid structure can be appreciated as positive, being in line with good international practice, according to which State aid for sectoral objectives is considered more damaging to the competitive environment than State aid for regional development and horizontal State aid.

The decrease in the amount of state aid for sectoral targets reported for 2017 as compared to 2015 was determined, including the end of the state aid granted in the financial sector.

The largest share of state aid for sectoral objectives is existing State aid and implemented until the entry into force of the Law on State Aid. Therefore, the aforementioned support measures will be examined by the Competition Council in the light of the state aid legislation and aligned with the EU acquis in the field of state aid in accordance with the commitments assumed by the Association Agreement by the Republic of Moldova.

The share of horizontal state aid increased in 2017 compared to previous years. The largest share of horizontal state aid has been supported by the Ministry of Health, Labor and Social Protection and the Ministry of Education, Culture and Research through the *state aid schemes offered in the field of science and innovation*.

State aid for promoting culture and preserving cultural heritage has the same value in 2017 and 2016. Its share has increased over the period 2015-2017, this being determined by the amount of state aid reported for other objectives.

The support measure for promoting culture and heritage conservation was aimed at *supporting the theatrical-concert institutes*. It is noted that this measure was implemented until the entry into force of the Law on State Aid.

According to international experience in the field of state aid, horizontal state aid and regional development aid, as a rule, have a less harmful impact on the competitive environment and are therefore more acceptable in comparison with the sectoral state aids. Thus, in 2017 there is a change in the state aid structure reported

by the reorientation of the highest share of state aid towards horizontal and regional objectives in line with best international practices in the field.

A more detailed analysis of the state aid reported on the objectives is presented below.

Horizontal objectives

The structure of the value of state aid on horizontal objectives varied in the period 2015-2017 (Table no.7).

Table no. 7

***The value and structure of state aid on horizontal objectives,
in the period 2015-2017***

No	Horizontal objective	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	To support SMEs	10 788	2.67	9 844	5.71	29 533	19.29
2.	Research, development and innovation	284 791	70.57	72 329	41.94	74 912	48.92
3.	Environment protection	42 097	10.43	20 937	12.14	24 265	15.85
4.	Support for staff training and job creation	65 876	16.32	69 219	40.14	16 358	10.68
5.	Rescue support	0	0	123	0.07	8 053	5.26
	TOTAL	403 552	100	172 451	100	153 122	100

The data presented in Table no. 7 show that in 2017 the largest share of the amount of state aid granted on horizontal objectives had State aid for research, development and innovation, representing 48.92% of the amount of the reported horizontal state aids. The amount of state aid for research, development and innovation increased with 3.57% in 2017 as compared to 2016.

In 2017, the Agency for Innovation and Technology Transfer notified the *state aid scheme for development and innovation*. The Competition Council has found that the support measure notified by the Agency for Innovation and Technological Transfer and granted through public funding to enterprises and organizations in the field of science and innovations that carry out economic activities constitutes State aid within the meaning of the Law on State Aid (*Competition Council Plenum's Decision ASO-9 of 03.04.2017*).

The amount of state aid reported for SMEs' support increased about 3 times in 2017 compared to previous years. This was due to the increase in the amount of support measures reported by providers. Between 2015 and 2017, the share of state aid to support SMEs increased. About 68% of the state aid provided to support SMEs in 2017 was granted in the form of subventions and / or subsidies.

The largest share of the state aid provided for SMEs' support was supported by the Credit Line Directorate under *the "European Trends to Increase the Role of Young People in the Social-Economic Life of the Country by Granting Private Enterprise Development Grants in the rural sector "*.

The amount of state aid reported for environmental protection in 2017 increased with 15.90% compared to 2016. The share of state aid granted for environmental protection increased in 2017 compared to previous years. The largest share of state aid for environmental protection was reported in 2017 in the form of exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments, accounting for about 66% of the total amount.

In 2017, the Energy Efficiency Fund notified to the Competition Council on the planned support measures to be granted as a scheme for *pilot projects in the field of energy efficiency and the valorisation of renewable energy sources proposed by the Agency for Energetic Efficiency*. Following the examination of the notified support measures, the Competition Council found that the notified aid measures constituted State aid within the meaning of the Law on State Aid in the case of beneficiaries carrying out an economic activity. At the same time, the Competition Council has authorized the state aid scheme for environmental protection by remediating or preventing damage to the natural environment or natural resources, reducing the risk of such damages or by more efficient use of natural resources, including energy saving measures and use of sources renewable energy (*Competition Council Plenum's Decision ASO-19 of 22.05.2017*).

In 2017, the amount and share of state aid reported for employee training and job creation decreased compared with previous years. The decrease in the value and share of the indicator was determined, including by the decrease of the unemployment rate at the country level. It is noted that the reported support measures are aid implemented until the entry into force of the Law on State Aid.

According to the information submitted by the providers, the most significant support measure reported for employee training and job creation was provided by the Ministry of Health, Labour and Social Protection regarding the *granting of subsidies for procurement of equipment and raw materials to the Moldovan Blind Society, The Deaf Association of the Republic of Moldova and the Society of Invalids in the Republic of Moldova*.

The value and the share of state aid for rescue increased in 2017 compared to 2016. The increase in the value and share of the indicator concerned was determined by the support measures notified by the Civil Aeronautics Authority *regarding the assignment of receivables and the rescheduling of debt for SE AC" Air Moldova "* and by *" Chisinau International Airport "* regarding the granting of the loan to SE AC" Air Moldova ". As a result of the examination of the support measures in question, the Competition Council found that these constituted State aid within the meaning of the State Aid Law and decided to authorize the State aid for rescue of SE AC" Air Moldova ". (*Competition Council Plenum's Decision. ASS-43 of 14.09.2017*).

Sectorial objectives

In 2017, the value of state aid for sectoral objectives has decreased significantly compared to previous years. The share of state aid for sectoral objectives constituted 20% of the amount of state aid reported for 2017. The tendency to decrease the value of state aids for sectoral objectives was determined by the completion of the state aid period for the financial sector and the re-examination of some State aid schemes in the light of legislation in the field.

The highest share of state aid for sectoral targets was granted to the pharmaceutical sector, accounting for about 56% of the reported value. At the same time, state aids were reported for other sectors of the national economy, such as rail transport, air transport, etc.

In 2017, most state aids on sectoral targets were reported as exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments, which accounted for 99.94% of the total value. The change in the structure of the value of state aid for sectoral objectives according to the form of granting compared to the previous years was also determined by bringing state aid schemes in line with the state aid legislation.

A significant share in the amount of state aid per sectoral objectives is the state aid implemented until the entry into force of the Law on State aid. Taking into account that some of these support measures have been implemented through state aid schemes, they are to be aligned with the EU state aid acquis in line with the commitments made under the Association Agreement by the Republic of Moldova

State aid for regional development

According to the Regional Aid Map of the Republic of Moldova, all development regions in the country are eligible for state aid on the analysed objective, with a maximum admissible intensity of 50%. In line with EU practice in the field, it is determined by the region's economic development, population density, unemployment levels in the regions concerned and other indicators. According to the EU rules, the entire territory of the Republic of Moldova meets the criteria that characterize the disadvantaged region.

In 2017, the share of the state aid for regional development was 38.46% of the total amount of state aid reported (according to Table no.6). The value of the new state aid granted and authorized by the Competition Council constituted 72.13%.

The amount of state aid notified in 2017 for regional development increased from 11,335 thousand MDL in 2015 to 185,236 thousand MDL in 2017. This development was also due to the increase in the institutional capacity of the providers to apply the state aid law.

Table no.8 shows the value of the notified state aid for regional development, authorized by the Competition Council, allocated to the development regions of the Republic of Moldova.

**Value and structure of notified regional aid
on development regions in 2017**

No.	Development regions	Value of authorized State aid				Value of authorized state aid per capita, MDL / capita
		State sources		External funds		
		mii lei	%	mii lei	%	
1.	North	52 162	28.17	20	32	56
2.	Centre	49 773	26.88	0	0	50
3.	South	36 436	19.68	0	0	73
4.	Territorial Unit Găgăuzia	18 848	10.18	0	0	125
5.	Chişinău Municipality	27 953	15.10	43	68	36
	TOTAL	185 173	100	63	100	55

According to Table no. 8, in 2017 the highest value of per capita authorized state aid was registered in the Autonomous Territorial Unit of Gagauzia.

In 2017, state aid for regional development and external funds was granted as a result of the implementation of the support measure provided in the assistance loan provided to the Government of the Republic of Moldova by the Government of the Republic of Poland for the implementation of projects in the field of agriculture, related infrastructure and others. It is specified that in 2017 the Ministry of Finance notified the planned support measures to be granted in the framework of the implementation of the assistance credit provided to the Government of the Republic of Moldova by the Government of the Republic of Poland for the implementation of projects in the field of agriculture, food processing, including related infrastructure and others. As a result of the examination of the support measure in question, the Competition Council decided that the support measures notified by the Ministry of Finance and planned to be granted in the form of a scheme, through loans and sub-loans on preferential terms, in the implementation of the Assistance Loan to the Government Of the Republic of Moldova by the Government of the Republic of Poland for the implementation of projects in the field of agriculture, food processing, including related infrastructure and others, constitute state aid within the meaning of the Law on State Aid (*Competition Council Plenum's Decision ASO-4 din 23.02.2017*).

In 2017, the largest share of regional development aid was granted in the form of subventions and / or subsidies (accounting for about 72% of total state aid for regional development). The increase in the amount of state aid for regional development provided in the form of subventions and / or subsidies has a less harmful impact on the competitive environment compared to other forms of granting.

2.6. State aid provider

According to the state aid legislation, state aid providers are required to submit annually to the Competition Council by March 31st the information on State aid granted in the year preceding the reporting year.

State aid provider in accordance with the Law on State Aid, is any central government authority or an administrative-territorial unit or any legal person directly or indirectly managing the resources of the State or of the administrative-territorial units. The resources of the state or of the administrative-territorial units are the entire patrimony, including in the form of financial means, belonging to the state, the administrative-territorial units, including the autonomous territorial unit Gagauzia.

The Law on State Aid also provides for the term of state aid initiator, which is the authority empowered to initiate draft legal acts involving the granting of State aid.

Most of the support measures reported for 2017 were granted by the CPAs, which accounted for about 88% of the total reported measures, and those granted by LPAs - about 11%. In this respect it is stated that CPAs are the main providers of state aid granted under the general framework. As regards LPAs, they provide in particular aid for the provision of SGEIs and de minimis aid.

According to the amount of state aid reported for 2017, it is noted that 97.78% of the total value was provided by CPAs. Table no.9 shows the amount of state aid reported by state aid providers.

Table no.9

**Value of State aid reported
depending on providers, in the period 2015-2017**

No.	Provider	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	AIPA	11 343	0.23	97 549	3.62	179 782	27.01
2.	NBM	733 900	14.77	0	0	0	0
3.	Ministry of Education, Culture and Research	112 624	2.27	144 789	5.38	146 763	22.06
4.	Ministry of Health, Labour and Social Protection	3 947	0.08	44 638	1.66	49 127	7.38
5.	State Tax Service	157 320	3.17	207 389	7.70	118 062	17.74
6.	Customs Service	3 481 620	70.07	2 108 473	78.29	97 897	14.71
7.	LPAs	6 598	0.13	6 703	0.25	14 789	2.22
8.	Other providers (CPAs and legal persons)	461 567	9.29	83 730	3.11	59 016	8.87
	TOTAL	4 968 920	100	2 693 270	100	665 435	100

In 2017, there is a significant change in the structure of state aid per providers. This was triggered by the reorganization of the CPAs, the end of the support period, the review of state aid schemes granted under fiscal and customs legislation and the presentation of incomplete information on State aid granted as tax incentives.

In 2017, the largest state aid providers were AIPA and the Ministry of Education, Culture and Research. AIPA has provided support measures under the State Aid scheme to stimulate investment in the development of post-harvest and processing infrastructure, which is part of measure no. 2 regarding investments in the processing and marketing of agricultural products, from Annex no. 1 to the Government Decision no. 455 of 21.06.2017 on the allocation of the funds of the National Fund for Agriculture and Rural Development. Under the scheme, 384 enterprises benefited from state aid.

The Ministry of Education, Culture and Research has provided support measures under two state aid schemes aimed at supporting the theatrical-concert institutions and the financing of science and innovation.

A significant share of the state aid reported was held by the Customs Service and the State Tax Service. The share of the amount of state aid reported by the Customs Service and the State Tax Service has decreased compared to previous years, this decrease was determined including by the completion of the period of granting support measures and the review of state aid schemes granted under the legislation tax and customs.

Data on the amount and forms of State aid granted by State aid providers can be found in Annex IV.

In 2017, the CPAs reported most support measures through state aid schemes, accounting for about 78% of the total CPAs support measures. LPAs have only offered support measures as individual aids.

Below, an analysis will be presented on the amount of state aid reported by the state aid providers on the main forms of granting them during the reference period, namely subventions and / or subsidies and exemptions, reductions, deferrals or tax breaks and other mandatory payments.

The largest share of the state aid granted in the form of subventions and / or subsidies was provided by the AIPA under the scheme for stimulating investments for the development of post-harvesting and processing infrastructure, which is part of the measure no. 2 regarding the investments in the processing and marketing of agricultural products, from Annex 1 to Government Decision no. 455 of 21.06.2017.

The main state aid providers that reported support measures in the form of exemptions, reductions, deferrals or tax breaks and other mandatory payments for 2017 are the Customs Service and the State Tax Service, which hold 93.15% of the total value of state aid reported in the given form. This significant value of the indicator analysed was determined by the fact that the Customs Service and the State Tax Service ensure the implementation of the Fiscal Code, Customs Code and Law No.1380 of 20.11.1997 on the Customs Tariff.

In conclusion, the largest share of state aid granted in the form of fiscal and customs facilities had been implemented until the entry into force of the Law on State Aid, being granted on the basis of the normative acts in force at the date of adoption, without being based on an ex-ante economic analysis of the impact of the respective measures on the competitive environment and clearly identifying the objective of granting them. In this respect, the support measures granted to enterprises through tax and customs legislation are to be reviewed in the light of the Law on State Aid. At the same time, in order to fulfil the commitments made under the Association Agreement by the Republic of Moldova and the National Program on Competition and State Aid, these support measures are to be aligned with the EU acquis on state aid.

Chapter III. SUPPORT MEASURES WITH INSIGNIFICANT ANTICOMPETITIVE IMPACT

3.1. De minimis aid

De minimis aid is aid with a value equivalent to less than 2 million MDL, granted to the same beneficiary for a maximum period of 3 years, regardless its form and the objective pursued, provided that it is not linked to export activities. Aid to cover the costs of participation in trade fairs or the cost of studies or consultancy services required to launch a new or existing product on a new market does not normally constitute aid for export-related activities.

With the entry into force of the Law on State Aid, de minimis aid is to be granted in accordance with the Regulation on de minimis aid (approved by the Competition Council Plenum's Decision No. 2 of 30.08.2013, published in Official Gazette No 222 -227 of 11/10/2013).

De minimis aid can be granted in all sectors of the national economy, with some exceptions. Thus, de minimis aid can not be granted for export-related activities, namely linked to quantities exported, aid for the establishment and operation of a distribution network or for other current export-related expenditure. Also, de minimis aid can not be granted to enterprises in difficulty, applying the provisions of the Regulation on aid for rescuing beneficiaries in difficulty (approved by the Competition Council Plenum's Decision no.6 of 30.08.2013, published in the Official Gazette No.243-247 from 01.11.2013).

The amount of the de minimis aid is considered to be relatively small and does not affect the competition between the enterprises and the international treaties to which the Republic of Moldova is a party, thus being exempted from the notification obligation.

In 2017, the amount of de minimis aid reported was 92,945 thousand MDL, which represented a decrease of 3,66% compared to 2016. At the same time, the amount of the de minimis aid reported for 2017 was 1.31 times higher than the one recorded in 2015. This increase was also determined by the increase in the number of support measures reported for 2017 as compared to 2015.

Expressed in euro, the amount of de minimis aid increased in 2017 as compared to 2016 and 2015. This trend was determined, including by the change in the exchange rate.

Table no.10

Value of de minimis aid reported in the period 2015-2017

No.	Indicator	2015	2016	2017
1.	Value of de minimis aid, thousand MDL	40 208	96 480	92 945
2.	Value of de minimis aid, thousand Euro *	1 924	4 376	4 462

* calculated on the basis of the average annual report of MDL to Euro, the NBM source (MDL / euro year 2015 = 20.90, year 2016 = 22.05, year 2017 = 20.83)

The data reported for 2015 and 2016 were updated and corrected according to the information provided by the providers.

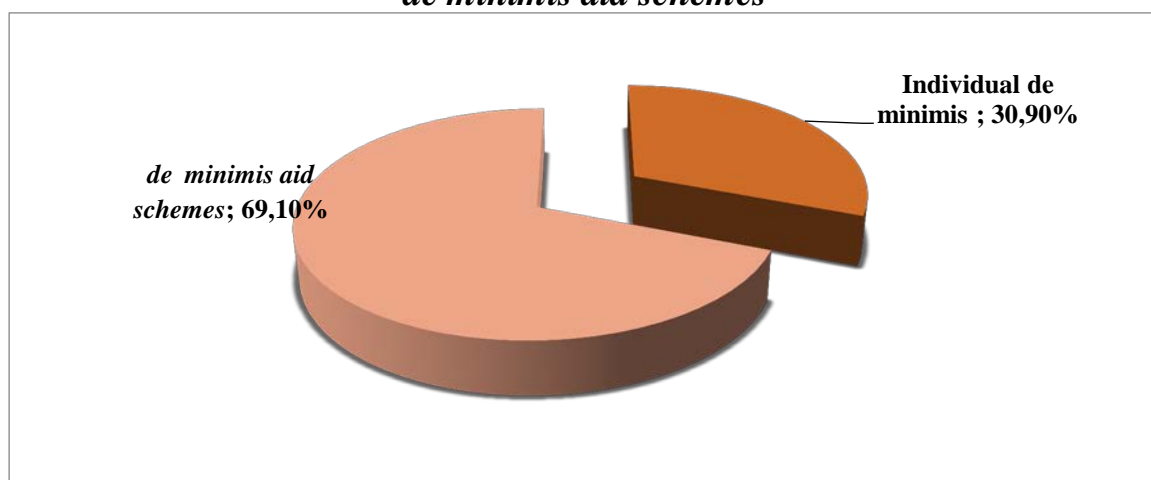
Of the total de minimis aid reported for 2017, the highest share (92.85%) was the de minimis aid granted from state sources. As regards de minimis aid from external funds, it constituted 7.15% of the total amount. The most significant de minimis aid scheme financed from external funds was the support measure under the Second Competitiveness Enhancement Project (CEP II).

For 2017, providers reported 303 de minimis aid measures. Most de minimis aid was reported by the LPAs, which accounted for 92.41% of the total reported measures for 2017. According to the de minimis aid reported for 2017, 67.89% of the total value was provided by CPAs.

According to Figure no. 3, in 2017 the highest share of de minimis aid (69.10%) in terms of the reported value was granted through de minimis aid schemes.

Figure no. 3

The structure of de minimis aid implemented in 2017 as individual de minimis aid / de minimis aid schemes



A comparative analysis of the de minimis aids reported for the period 2015-2017, according to the granting method, is presented in Table no. 11.

Table no. 11

The value and the structure of de minimis aid according to the modalities of granting 2015-2017

No.	Type of de minimis aid	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Individual de minimis	23 648	58.81	33 991	35.23	28 724	30.90
2.	De minimis aid scheme	16 561	41.19	62 490	64.77	64 221	69.10
	TOTAL	40 208	100	96 480	100	92 945	100

From the data presented in Table no. 11, it is noted that in 2017 the amount of de minimis aid granted under de minimis aid schemes increased in comparison with the previous years. One of the most significant de minimis aid schemes reported for 2017 is the support measure provided through the "PARE 1 + 1" Attracting Remittances in Economy Program. The support measure was granted to enterprises throughout the Republic of Moldova for launching / developing entrepreneurial activity. Thus, in the reporting year, 247 enterprises benefited from de minimis aid under the "PARE 1 + 1" Attracting Remittances in Economy Program.

The de minimis aid reported for 2017 covered various forms of grant. The amount of de minimis aid reported, depending on the form in which the companies benefited from these benefits, is presented in Table no. 12.

Table no. 12

*Value and structure of the reported de minimis aid in the period
2015-2017, depending on the granting form*

No.	Granting form	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Subvention and/or subsidies	17 913	44.55	67 350	69.81	64 741	69.66
2.	Exemptions, reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments	1 815	4.51	3 210	3.33	3 398	3.66
3.	Loans with preferential interest	0	0	1 862	1.93	1 917	2.06
4.	Guaranties with preferential terms	445	1.11	120	0.12	744	0.80
5.	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	1 090	2.71	940	0.97	124	0.13
6.	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	18 946	47.12	22 998	23.84	22 021	23.69
	TOTAL	40 208	100	96 480	100	92 945	100

The largest share of de minimis aid reported for 2017 was provided in the form of subventions and / or subsidies, constituting 69.66%. The share of de minimis aid

granted in the form of subventions and / or subsidies was practically the same as in the previous year and continued to be higher than that recorded in 2015.

As regards the amount of de minimis aid granted in 2017 in the form of subventions and / or subsidies, it is noted that it has increased by about 3 times compared to 2015. This trend was also determined by the number of reported support measures and their value.

The largest share of de minimis aid in the form of subventions and / or subsidies was provided under the "*PARE 1 + 1*" *Attracting Remittances in Economy Program*.

In the reporting year, the amount and the share of de minimis aid granted in the form of reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments and in the form of preferential interest loans increased compared to 2016.

The highest share of de minimis aid granted in the form of reductions, deferrals, or rescheduling of taxes, fees and other mandatory payments was the support measure offered by the Civil Aviation Authority to the A.C. Fly One to develop the air transport sector.

The increase in the amount of de minimis aid granted in the form of preferential interest loans was determined by the alignment of some support measures implemented until the entry into force of the Law on State Aid. Thus, the Grant Implementation Unit of the Government of Japan reported the de minimis aid scheme aimed at supporting and developing the SMEs sector.

In 2017, the amount of de minimis aid granted in the form of discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price, decreased with 4.25% compared to 2016 but was with 16.23% higher compared by 2015. This dynamics of the de minimis aid amount in the form of discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price, was determined, including by the application of state aid law to calculating the value of support measures.

The largest share of de minimis aid granted in the form of discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price, was provided to SGEI enterprises, namely: water supply, sewerage, postal items, etc. Beneficiaries of the support measures were: "GPGCL Singerei" IM, "Carpineni Services" IM, "Prosper Rural" inter-municipal enterprise, etc.

The amount of de minimis aid granted as guaranties on preferential terms increased by about 5 times in the reporting year compared to 2016. This was determined by the increase in the number of support measures reported in the form of guaranties on preferential terms in 2017 in comparison to the previous year (by Ștefan Vodă Town Hall, Soroca City Hall and Small and Medium Enterprise Development Organization).

The largest share of de minimis aid granted in the form of preferential guarantees was granted to undertakings providing SGEIs. At the same time, support measures under the de minimis aid scheme *Credit Guarantee Fund*, the objective of which is to help increase the competitiveness of the national economy by facilitating

access to finance for SMEs following the issuance of financial guarantees to guarantee loans.

De minimis aid in the form of investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor declined during the period under review. This decrease was determined, including by the end of the de minimis aid period.

In 2017, de minimis aid was reported for SMEs support, SGEI provision, environmental protection, regional development, research, development and innovation, sectoral targets, etc. The de minimis aid amount reported by objectives is summarized in Table no. 13.

Table no.13

Value and structure of the reported de minimis aid in the period 2015-2017, depending on the granting objectives

No.	Objective	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Horizontal objectives	31 096	77.34	84 924	88.02	82 403	88.65
1.1.	<i>To support SMEs</i>	9 492	23.61	53 251	55.19	55 132	59.32
1.2.	<i>SGEIs</i>	20 275	50.42	30 014	31.11	23 565	25.35
1.3.	<i>Environment protection</i>	726	1.81	0	0	2 141	2.30
1.4.	<i>Research, development and innovation</i>	320	0.80	1 459	1.51	1 315	1.41
1.5.	<i>Support for staff training and job creation</i>	283	0.70	200	0.21	250	0.27
2.	Aid for regional development	443	1.10	2 158	2.24	1 464	1.57
3.	Sectorial objectives	3 173	7.89	6 650	6.89	5 294	5.70
4.	Aid for the promotion of culture and the preservation of cultural heritage	5 469	13.60	2 632	2.73	3 662	3.94
5.	Other objectives	28	0.07	115	0.12	122	0.13
	TOTAL	40 208	100	96 480	100	92 945	100

In 2017, about 90% of the amount of de minimis aid reported was granted for horizontal objectives. The share of de minimis aid reported for horizontal objectives in the total amount of de minimis aid has been maintained at the level of 2016. As regards the amount of de minimis aid for horizontal objectives, it has increased by about 1.6 times compared to 2015.

In the reporting year, the highest share of de minimis aid reported was targeted towards SMEs support. In this respect, it is stated that the most significant support measure implemented to support SMEs is the "PARE 1 + 1" Attracting Remittances

in Economy Program, which is intended for migrant workers and / or first-degree relatives who want to invest in launching and / or developing one's own business⁷.

The amount of sectoral de minimis aid diminished in 2017 compared to 2016 and 2015. This decrease was determined, including by the completion of the period of granting of support measures granted by Moldova's Export and Investment Promotion Organization.

De minimis aid for regional development increased with 2.31% compared to 2015. It is noted that de minimis aid for regional development was also reported by business incubators.

De minimis aid for promoting culture and preserving cultural heritage and de minimis aid for other objectives increased in 2017 as compared to 2016.

The most significant de minimis aid schemes for promoting culture and cultural heritage conservation have been reported by the Ministry of Education, Culture and Research. These schemes have been directed to funding cultural programs, projects and actions, and periodicals.

In conclusion, it is specified that some providers have insufficient knowledge of the application of the state aid legislation in the area of granting de minimis aid. In this respect, one of the priority actions of the Competition Council will continue to be increasing the institutional capacity of the providers in implementing the provisions of the state aid legislation and in particular in the de minimis part.

3.2. Support measures for the provision of services of general economic interest

SGEI is an economic activity that is of particular importance to citizens, and without state intervention could not be provided to consumers. Thus, services can be: drinking water supply, waste water disposal, household waste collection, etc.

The public service obligation is imposed on the provider by assignment of a task and on the basis of a criterion of general interest intended to ensure that the service is provided in conditions which enable him to carry out his task.

The obligations incumbent on undertakings entrusted with the provision of SGEIs generally address issues such as: quantity and quality continuity, adaptability to consumer requirements, equal and non-discriminatory access to public service, decision-making transparency and user protection, health and quality of life, etc. The imposition of these conditions by public authorities can be accompanied by measures to support the work of those businesses. The main condition for the granting of the support measure should be to compensate, in whole or in part, for the difference between the costs resulting from the provision of the service and the company's relevant revenue, taking into account a reasonable profit in fulfilling those obligations.

The amount of support measures reported for the provision of SGEIs is shown in Table no.14.

⁷ PARE 1 + 1 Program, SME Development Organization, <https://www.odimm.md/ro/component/content/article/70-programul-pare.html>

Table no.14

***The value of support measures for the provision of SGEIs,
in the period 2015-2017***

No.	Indicator	2015	2016	2017
1.	The value of support measures for the provision of SGEIs			
<i>1.1.</i>	<i>Thousand MDL</i>	1 103 895	241 038	185 207
<i>1.2.</i>	<i>Thousand Euro*</i>	52 818	10 931	8 891

** calculated on the basis of the average annual report of MDL to Euro, the NBM source (MDL / euro year 2015 = 20.90, year 2016 = 22.05, year 2017 = 20.83)*

The data reported for 2015 and 2016 were updated and corrected according to the information submitted by the providers.

The value of the support measures presented in Table no. 14 includes the amount of State aid and the amount of de minimis aid granted for SGEIs. The amount of state aid provided for the provision of SGEIs was 161,642 thousand MDL, which constituted 87.28% of the total amount of support measures reported for SGEIs. The difference was the amount of de minimis aid granted for the provision of SGEIs.

The amount of support measures reported for the provision of SGEIs decreased in 2017 with 23.16% as compared to 2016 and with 83.22% as compared to 2015. The significant decrease in the amount of state aid in 2017 compared to 2015 was determined, including by completing of the period of support measures, updating the information on the value of the support measures granted in the previous years, reviewing the application of the provisions of the state aid law to the calculation of the value of the support measure granted in the analysed form and reviewing some schemes implemented before the entry in force of the Law on State Aid.

Of the total amount of support measures granted for the provision of SGEIs in 2017, respectively 185,207 thousand MDL, the amount of state aid authorized by the Competition Council was 29,357 thousand MDL (or about 16% of the total amount), the difference being for de minimis aid, the aid implemented before the entry into force of the Law on State Aid and of Supportive Measures under examination at the Competition Council. The most significant support measure authorized by the Competition Council was granted to the ME "Costești Water-Canal Production Department". The support measure consisted in the free of charge transfer of the fixed assets, the property assets of the Costești City Hall, Rîșcani District to the administration of the respective enterprise. State aid granted to the beneficiary is necessary for the operation of the public sewerage service under normal conditions of continuity and safety.

Below are briefly outlined the support measures authorized in 2017 by the Competition Council for the provision of SGEIs:

- *Notification received from Telenești City Hall*, the beneficiary of the support measure being ME " Telenești Water - Canal ". The support measure consisted in the free of charge transmission of the material assets, owned by the City Hall, into the management of the respective enterprise.
- *The notification received from Bălți City Hall*, the beneficiary of the support being ME " Bălți Water-Canal Direction". The support measure consisted in free of charge transmission of aqueduct networks.
- *The notification received from Carpineni Town Hall, Hincesti District*, the beneficiary of the support measure being M.E."Carpineni Services". The support measure consisted in the free of charge transmission of aqueduct and fountains.
- *Notification received from Cantemir City Hall*, the beneficiary of the support measure being ME"Cantemir Communal-Housing Estate". The support measure consisted in free of charge transmission of the material goods (truck for transporting waste, containers, plastic bins), property of Cantemir city Hall to the management of the respective enterprise.
- *Notification received from Sireti Village Hall, Straseni District*, the beneficiary of the support measure being ME"Sireti Salub". The support measure consisted in the free of charge transmission of the aqueduct and pumping stations to the management of the respective enterprise.
- *Notification received from Mingir Commune Hall, Hincesti District*, the beneficiary of the support measure being ME"Ecoapeduct". The support measure consisted in the free of charge transmission of the aqueduct and sewerage network, the pumping station and the treatment plant to the management of the respective enterprise.
- *Notification received from Costești City Hall, Rîșcani District*, the beneficiary of the support measure being ME" Costesti Water - Canal". The support measure consisted in the free of charge transmission of the fixed assets and property assets of the City Hall to the management of the respective enterprise.
- *Notification received from Corjeuți Village Hall, Briceni District*, the beneficiary of the support measure being ME"Servcom Corjeuti". The support measure consisted in the free of charge transmission of the aqueduct network and the artesian fountains to the management of the respective enterprise.
- *Notification received from Hincesti City Hall*, the beneficiary of the support measure being " Hincesti Regional Operator Water - Canal" SA. The support measure consisted in the free of charge transmission of the drinking water networks and Fîrlădeni water supply source (4 fountains with pumping station) to the management of the respective enterprise.
- *Notification received from the Bozieni Commune Hall, Hincesti District*, the beneficiary of the support measure being SC "Amen-ver" SA. The support measure consisted in the free of charge transmission of the material assets, owned by the Bozieni Commune Hall to the management of the respective enterprise.
- *Notification received from Sîngerei District Council*, the beneficiary of the support measure being ME "Indmetalcongaz". The support measure consisted in the free of charge transmission of goods (the centralized, gravitational drinking water

supply route from Soroca Balti-Singerei pipeline) to the management of the respective enterprise.

During the reporting period, SGEIs operating enterprises benefited from support measures either as individual aid or through state aid schemes. The largest share of these (97.31% of the total) was granted as individual aid. A significant share of the value of the support measures granted for SGEIs was provided to the enterprises: SA "Apă-Canal Chișinău", SE "Republican Experimental Center for Prosthetics, Orthopedics and Rehabilitation", ME "Costești Water-Canal Production Department", ME "Kipcak Canal ", etc.

The annual amount of support measures for the provision of SGEIs, according to the form in which enterprises have benefited from these measures, is presented in Table no.15.

Table no.15

***Value and structure of SGEIs support measures
depending on the granting form, in the period 2015-2017***

No	Form of granting	2015		2016		2017	
		Thousand MDL	%	Thousand MDL	%	Thousand MDL	%
1.	Subventions and/or subsidies	125 011	11.32	47 786	19.83	61 913	33.43
2.	Cancellation or takeover of debts	0	0	0	0	0	0
3.	Exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	764 858	69.29	23 563	9.78	1 100	0.59
4.	Granting loans with preferential interest	44 322	4.02	48 137	19.97	43 762	23.63
5.	Granting of guarantees under preferential terms	3 674	0.33	301	0.12	6 830	3.69
6.	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	19 000	1.72	3 206	1.33	124	0.07
7.	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	147 031	13.32	118 043	48.97	71 478	38.59
	TOTAL	1 083 620	100	211 024	100	161 642	100

The largest share of the support measures provided for the provision of SGEIs was granted in the form of discounts on the price of the goods and services provided. State aid providers have transferred free of charge goods (aqueduct, artesian

fountains, etc.) for SGEIs provision (e.g. water supply, sanitation, etc.) to the management of companies. The main beneficiaries of the support measures were the companies providing water supply, sanitation and sanitation services.

A significant part of SGEIs support measures was reported under subventions and / or subsidies. The most significant support measure in the analysed form is the *measure of granting by the Ministry of Health, Labour and Social Protection to the Republican Experimental Centre for Prosthetics, Orthopaedics and Rehabilitation (CREPOR) of the financial means to provide rehabilitation services and to provide technical assistance to persons with locomotor disabilities and war veterans*. The aid in question is a measure implemented prior to the entry into force of the Law on State Aid and is, therefore, to be examined by the Competition Council.

Support measures for the provision of SGEIs were granted in the amount of 23.63% and in the form of loans with preferential interest. The support measures granted under this form constituted State aid. State aid was granted as a result of access to external funds. In 2017, they were awarded by the Ministry of Finance, including:

1. *The project to improve the efficiency of centralized heat supply system, the purpose of the loan is to improve the efficiency of the centralized heat supply system - beneficiary SA „ Termoelectrica „*

2. *Loan for the Balti "Thermal Energy Project (Cet-Nord) to improve energy efficiency, reduce operational costs and improve the supply of heat supply services in Bălți-beneficiary SA Cet-Nord."*

It is specified that these support measures have been examined and authorized by the Competition Council.

At the same time, 3.69% of the amount of State aid for the provision of SGEIs was granted in the form of guarantees on preferential terms. Under the proposed support measures, LPAs have guaranteed for loans to businesses by international organizations.

In 2017, the State aid in the form of guarantees under the preferential conditions of SA "Apă-Canal Chişinău" continued by the Chisinau City Hall. The mentioned support measure consists in the 100% guarantee by the Council of Chisinau of the external loans obtained by "Apă-Canal Chişinău" SA from the European Bank for Reconstruction and Development and the European Investment Bank. It is specified that the state aid granted to SA "Apă-Canal Chişinău" was authorized by the Competition Council.

Approximately 0.6% of the total support measures provided for the provision of SGEIs were granted in the form of exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments.

State aid reported in the form of exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments was provided by the Customs Service under the state aid scheme *Exemptions for imports of machinery and equipment from tariff positions : ex 3926 plastic containers for the separate collection of waste; ex.841780700 furnaces and furnaces for incineration of manure; ex 847 - machinery and apparatus for working rubber or plastics; ex.8479*

*shredding, pressing, batching of household wastes; ex 8704 motor vehicles for the collection and transport of household waste "*Two undertakings benefited from the support measure in question. It is noted that the support measure was examined and authorized by the Competition Council.

In 2017, de minimis aid was also provided in the form of exemptions, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments.

In 2017, the main providers of state aid to SGEIs were the LPAs. Thus, about 95% of the total reported support measures were granted by the LPAs. Most support measures for the provision of SGEIs were reported by the Chisinau City Hall, the Edinet City Hall and the Taraclia District Council. In terms of value, about 58% of the amount of state aid reported for SGEIs was granted by the CPAs.

One of the actions of the National Program for Competition and State Aid for 2017-2020 is the delegation of SGEIs management through an awarding act while granting the state aid to beneficiaries of SGEIs. Thus, in 2017, 9 LPAs delegated the management of SGEIs by awarding act, which is also in line with the provisions of the Regulation on state aid granted to beneficiaries providing services of general economic interest, approved by the Competition Council Plenum's Decision no.11 30.08.2013 (published in OG No 243-247 of 01.11.2013).

Chapter IV. STATE AIDS MONITORING

4.1. Overall characterization

The monitoring of state aid in progress is one of the attributions of the Competition Council. According to art. 20 of the Law on State Aid and point 84 of the Regulation on the form of notification, the procedure for examining and adopting the decisions on state aid (adopted by the Competition Council Plenum's Decision No. 1 of 30.08.2013), the Council Competition monitors ongoing state aids to verify compliance with the provisions of the legal acts under which they were granted and the authorizing decisions it has issued.

In this respect, 29 support measures authorized by the Plenum of the Competition Council during 2014-2017, which were in progress in 2017, were monitored. Information from providers and beneficiaries was requested for the monitoring of the authorized state aids.

4.2.State Aid for regional development

Monitoring of state aid for regional development is carried out taking into account the evaluation criteria presented in the Regulation on State aid for regional development, approved by the Competition Council Plenum's Decision no. 4 of 30.08.2013 (published in OG No. 228-232 of 18.10.2013). The main conditions for granting state aid for regional development are:

- state aid intensity - up to 50% of the actual costs incurred (for medium enterprises - 60%, for small enterprises - 70%);
- beneficiary's contribution - at least 25% of the eligible costs;
- keeping the investment in question in the region for a period of time - minimum of 5 years for large enterprises and minimum 3 years for SMEs;
- the number of new jobs created.

State aid for regional development was granted for the creation and development of industrial parks.

a) State aid granted for the creation / development of industrial parks (IP Trivineta Cavi Development,"IP Edineț,"IP FAIP,"IP Comrat"and IP CAAN)

In 2014, 4 state aids for regional development were granted for the creation of industrial parks: "Trivineta Cavi Development" IP, "Edineț" IP "FAIP" and IP "Comrat". In 2016, the Competition Council authorized the state aid for the development of IP "CAAN".

Below the main indicators for the activity of industrial parks: IP "Trivineta Cavi Development", IP "Edineț", IP "FAIP", IP "Comrat" and IP "CAAN" are presented.

Main indicators
on the activity of industrial parks

No.	Name of the enterprise	Name of IP	Planned investment volume, thousand MDL	The volume of investments since the beginning of the IP activity, thousand MDL
1.	SRL "La Trivineta Cavi Development"	IP "Trivineta Cavi Development"	465 750*	723 138
2	SRL "Eco-Garant"	IP "Edineț"	355 200	423 369
3.	SRL "Venador-Prim"	IP „FAIP”	93 150*	6 110
4.	ÎM „Gospodăria Locativ – Comunală”	IP "Comrat"	1 801 800	-
5.	S.A. "CAAN"	IP "CAAN"	41 500	2 451

* calculated on the basis of the average annual report of MDL to Euro, the NBM source (MDL / euro year 2014 = 18.63)

Source: Information submitted by the Ministry of Economy

During 2014-2017, investments were made in IP "Trivineta Cavi Development", IP "Edineț", IP "FAIP" and IP "CAAN".

It is noted that in 2017 the maximum admissible intensity was not exceeded by the beneficiaries of the state aid.

In 2017, the technical project on the technical infrastructure within the "Comrat" IP and its connection to the public utilities was finalized and subjected to ecological expertise.

b) The state aid scheme under the conditions of the normative acts related to the Conditioned Assistance Program financed from the Government of the Republic of Poland credit to the Government of the Republic of Moldova for the implementation of projects in the field of agriculture, food processing and related infrastructure in the form of preferential loans

By Decision no. ASO-4 of 23.02.2017, the Plenum of the Competition Council authorized the state aid scheme under the conditions of the normative acts related to the implementation of the assistance loan granted to the Government of the Republic of Moldova by the Government of the Republic of Poland for the implementation of projects in the field of agriculture, food processing and related infrastructure and other.

Authorized state aid consisted of: 1) support measures in the framework of re-crediting operations to be performed on the basis of re-crediting contracts (legal act signed between the Ministry of Finance and selected participating financial institutions, through which the Ministry of Finance will grant loans, with an interest rate of 0.15% per annum from Credit for Re-credit Eligible Businesses and the financing of eligible expenditure for the procurement of goods and services) with the selected participating financial institutions that will assume all re-credit risks and will ensure the reimbursement of funds to The Ministry of Finance; 2) Subsidy support measures (on preferential terms, with a maximum enterprise value of 5 million EUR and a maturity of up to 12 years) granted by the participating financial institutions to eligible enterprises according to the criteria set out in the corresponding Operations Manual. Interest on the sub-loan will reflect credit risks and will be negotiated by mutual agreement between participating financial institutions and eligible businesses. The maximum risk margin applied by the participating financial institutions to the eligible enterprise at the interest rate applied by the Ministry of Finance of the Republic of Moldova to the participating financial institutions is set at a limit of up to 3.5 p.p.

In 2017, the total amount of state aid granted constituted 63.05 thousand MDL, namely: under Mode I, state aid amounting to 43.57 thousand MDL was granted; in Mode II, the amount of state aid - 19.48 thousand .

4.3.State aid granted for the provision of services of general economic interest

The monitoring of State aid for the provision of SGEIs is carried out taking into account the evaluation criteria in the Regulation on State aid granted to beneficiaries providing services of general economic interest. According to the provisions of the above mentioned Regulation, in order for the state aid to be compatible with the competitive environment, it must comply with the following conditions:

- State aid is necessary for the operation of SGEIs;
- State aid does not unduly distort competition.

For 2017, 18 State aid measures authorized by the Competition Council for the provision of SGEIs were monitored. The state aid monitored by the Competition Council is presented on the types of SGEIs for which they were granted:

a) State aid granted to SA Termoelectrica"for the provision of heat supply services

By the Decision of the Plenum of the Competition Council no. ASS-75 of 24.12.2015 was approved the State aid for the provision of SGEIs offered to SA "Termoelectrica" for the improvement of the thermal energy supply infrastructure.

The legal basis is Law no. 148 of 30.07.2015 on the ratification of the Financing Agreement between the Republic of Moldova and the International Bank for Reconstruction and Development for the implementation of the Project for improving the efficiency of the centralized power supply sector from 2015.

The period during which state aid is granted under this measure: September 2015 - April 2049. According to the information reported by the Ministry of Finance, in 2017 SA "Termoelectrica" benefited from state aid from external sources amounting to 14,848.25 thousand MDL.

b) State aid granted to SACET Nord for the supply of heat supply services

By the Decision of the Plenum of the Competition Council no. ASS-31 of April 23, 2015 the state aid granted to SA „ CET-Nord "was approved in order to improve the thermal energy supply, energy efficiency and operational costs reduction. The legal basis was the Law No 15 of 20.02.2015 on ratification of the Financing Agreement between the Republic of Moldova and the EBRD for implementing the project "Thermal energy system of mun.Bălți (SA" CET-Nord ").

According to the implementation program for the modernization project of SA „ CET-Nord "for 2017-2019, the main objectives of the project are: (i) Supply and installation of 2-4 piston engines in cogeneration, with gas operation with a total capacity of at least 13.2 MW and a maximum of 16 MW, which aims to increase the production of electricity with almost 60%. (ii) Supply and installation of pumps for centralized heat supply system networks, fans and frequency converters. (iii) Supply and installation of individual thermal points in buildings in Bălți municipality. (iv) Supply and installation of a biomass hot water boiler (pellets).

The period during which state aid is granted under this measure: May 2016 - August 2029. According to the information reported by the Ministry of Finance, in 2017 SA "CET Nord" benefited from state aid from foreign sources amounting to 209.05 thousand MDL.

c) State aid scheme for exemption from VAT on importation of goods according to art. 103 par. (1) point 31 of the Fiscal Code, having as beneficiaries the enterprises, not registered as VAT payers, who provide services for the collection, processing and recycling of household waste

By the Decision of the Plenum of the Competition Council no. ASS-21 of 21.04.2016 was approved the state aid granted on the basis of art. 103 par. (1) point 31 of the Fiscal Code, concerning the exemption from VAT, having as beneficiaries the enterprises not registered as VAT payers for the purpose of providing the household waste collection, processing and recycling service.

This measure, reported by the Customs Service, is VAT exemptions applied to the import of machinery and equipment for enterprises in the field of collection, processing and recycling of household waste used directly in their field of activity. The legal basis for the granting of state aid is art.103 par. (1) point 31) of the Fiscal Code. Of the taxpayer's facility can benefit economic agents who are authorized to carry out the collection, processing, recycling of domestic waste and use the equipment and the technique directly named in their field of activity.

Thus, according to the information reported by the Customs Service, in 2017 two companies benefited from state aid based on the respective scheme, namely SRL "ABS", amounting to 306.95 thousand MDL and SRL "Perst Energy", amounting to 133.36 thousand MDL.

i. „ABS” SRL

The company "ABS" SRL informed the Competition Council that during 2017, applying the provisions of art. 103 par. (1) point 31 of the Fiscal Code, purchased material goods: parts and components for the garbage sorting facility; equipment with its own agitation function, mixing, breaking of waste from plastic cardboard, aluminium, equipment for horizontal waste disposal. Both fixed asset positions are put into operation at the household and plant waste sorting station.

ii. „Prest Energy” SRL

The company "Prest Energy" SRL informed the Competition Council that during 2017, applying the provisions of art. 103 par. (1) point 31) of the Fiscal Code, purchased a car that is designed and equipped for the collection of solid household waste. From the time of registration of the car at the Bureau of Automobile Registration, this car is used and directly involved in the collection and transportation of the garbage from the Băcioi village, Braila village, Strestieni village.

In conclusion, the State aid measure, granted under Article 103, (1) point 31) of the Fiscal Code, determined the acquisition of the fixed assets necessary for the undertakings providing the sanitation service, in order to provide the service of general economic interest.

d) State aid granted for the provision of public utilities

In 2017, the Plenum of the Competition Council approved 14 measures to support the provision of water, sewage and waste water treatment and sanitation services.

State aid authorized during the reference period was individual aid. The beneficiaries of these measures were (mostly municipal enterprises): ME "Balti Water Canal Company", ME "Costești Water Canal", ME "Telenești Water Canal", ME "Carpineni Services", ME "GCL Cantemir", ME "Salub-Sireți", ME "Ecoapeduct", ME "Servcom Corjeuti", SA "Hincesti Regional Operator Water - Canal", ME "Indmetalcongaz", ME "Boghenii Noi communal services", ME "Chetrosu Communal Household", ME Locative Calarasi "(Table 17).

**State aid authorized by the Competition Council
for the provision of SGEIs**

No.	Competition Council Decision	Support measure	SIEG type	The total value of authorized state aid, thousand MDL	Expected effects
1	ASR 01 of 11.01.2017	Free of charge transmission into the management of material goods without equivalent consideration (pumping station, extension of sewerage networks, multifunctional excavator) for a 34-year period	Water supply and sewerage	2 188.82	The present state aid is intended for the development of Telenești City, namely to improve the living conditions of the population, to provide drinking water, to improve the water quality, to raise the social and hygienic level of the population of Telenesti City.
2	ASR 11 of 12.04.2017	Free of charge transmission into the management of aqueduct networks for a period of 50 years	Water supply	3 950	Operation under normal conditions of continuity and safety of the centralized public water service in mun.Bălți, Village Elizaveta (mun. Bălți)
3	ASR 13 of 27.04.2017	Free of charge transmission into the management of fixed assets and tangible assets for a period of 11 years	Water supply, sewerage and sanitation	3 032.39	Granting State aid will improve the quality of water supply, sewerage services in the Costești City, Duruitoarea village, Dămășcani village and Păscăuți village (Rîșcani district) and sanitation (Costești, Proscureni village, Duruitoarea village, Dămășcani village and Păscăuți village from Rîșcani district) by connecting a larger number of aqueduct consumers and sewerage network, non-stop water supply, job creation
4	ASR 06 of 06.03.2017	Free of charge transmission into the management of the aqueduct and artesian fountains for a period of 49 years	Water supply	3354.31	Extending the drinking water supply system, access to a source of quality water for the inhabitants of Carpineni Village (Hincesti District)

5	ASR 31 of 14.07.2017	Free of charge transmission in property of material assets (truck, containers, plastic bins) for a period of 6 years	The public sanitation service	893.88	Increasing the quality of sanitation services, improving the living conditions of the population, efficient waste management, environmental protection, raising the social and hygienic level of the population in Cantemir City.
6	ASR 15 of 02.05.2017	Free of charge transmission into the management of the aqueduct and pumping stations for a period of 35 years	Water supply and sewerage	9 206.2	Ensure a high level of living conditions, the health of the inhabitants and a clean and healthy environment through the sustainable development of the water supply and sewerage infrastructure and by providing quality services to the population in Siret Village (Straseni District)
7	ASR 08 of 03.04.2017	Free of charge transmission into the management of the aqueduct and sewerage network, the pumping station and the sewage plant for a period of 35 years	Water supply and sewerage	11 700.5	Provision of drinking water and sewage system, improvement of the water quality, minimization of water supply and sewerage expenses for the inhabitants of Mingir Comune (Hincesti District)
8	ASR 37 of 02.08.2017	Free of charge transmission into the management of fixed assets and physical assets for a period of 20 years	Public sewerage service	7 663.07	Provision of infrastructure for the provision of sewerage services to the inhabitants of Costești City, Râșcani District
9	ASR 30 of 05.07.2017	Free of charge transmission into the management of the aqueduct and artesian wells for a period of 20 years	Water supply	1 416.8	Providing the infrastructure for the provision of water supply for the population of Corjeuti Village (Briceni District)
10	ASR 53 of 02.11.2017	Free of charge transmission into the management of the drinking water networks and the Fârlădeni water supply source (4 fountains with pumping station) for a period of 20 years	Water supply	22 718.66	Extension and rehabilitation of the public water supply system, increasing the number of consumers of the public water supply service, consumers benefit from the continuous public water supply service in Hincesti

11	ASR 68 of 29.12.2017	Free of charge transmission into the management of goods (the centralized, gravitational drinking water supply route from the Soroca-Balti-Singerei pipeline) for a 5-year period	Public water supply service	7 888.83	Providing the infrastructure for the provision of the drinking water supply service for the inhabitants of Singerei District (Heciul Nou village, Alexăndreni Comune and Biruința), raising the living standards of the inhabitants, who will have access to safe and quality water sources.
12	OTC 38 of 24.08.2017	Free of charge transmission into the management of the aqueduct for a period of 20 years	Water supply	576.72	The development of Boghenii Noi Village (Ungheni District), namely, the improvement of the living conditions of the population, the water supply, the raising of the social and hygienic level of the population.
13	OTC 54 of 02.11.2017	Free of charge transmission into the management of the sewage treatment plant for a period of 36 years	Sewerage	1 347.34	Provision of infrastructure for the provision of sewerage services for the population of Chetrosu Village (Anenii Noi District)
14	OTC 55 of 02.11.2017	Free of charge transmission into the management of the external sewerage networks in the Vatamaneasa sector for a period of 30 years	Public sewerage service	1 504.81	Sewerage services for the population, sanitary and environmental conditions in the Calarasi City

As a result of the implementation of authorized state aids, the number of consumers connected to the water supply, sewerage / sanitation service (as of 01.09.2018) increased in relation to the number of connected consumers until the granting of the state aid, as follows:

- the support measure granted by Telenești City Hall – ME Telenetsi "Water - Canal" –the number of houses connected to the water supply network - 1 132 and sewerage-502. At the same time, 2,085 households were connected to the water supply system, and in the sewage system - 1 405 households.
- the support measure granted by the Sireti Village Hall, Straseni District- ME "Salub Sireti" - an increase of over 20% compared to the number of consumers connected to the water supply network until the granting of state aid (2 415 households / 2 005 households);

- the support measure granted by Costești City Hall., Râșcani District – ME Costesti "Water Canal" - the number of consumers connected to the sewerage / sanitation service on 01.09.2018 is 368 (increased with 8.2%) and 330 (increased with 10%)
- the support measure granted by Carpineni Comune Hall, Hâncești District - ME"Carpineni Services" - the 1,672 households connected to the drinking water supply network;
- the support measure granted by Corjeuți Vullage Hall, Briceni District - ME"Servcom Corjeuți" - a 41.2% increase compared to the number of consumers connected to the water supply network until the state aid is granted;
- the support measure granted by Mingir Comune Hall, Hâncești District- ME "Ecoapeduct" - 870 consumers connected to the water supply and sewerage network.
- the support measure granted by Singerei District Council - ME "Indmetalcongaz" - the number of consumers connected to the water supply network until the granting of the state aid - 0, the number of consumers connected on 01.09.2018 - 480 households;
- the support measure provided by Boghenii-Noi Commune Hall, Ungheni District - ME "Boghenii Noi communal services" - 106 households connected to the water supply network (or about 63% of the total);
- the support measure granted by Chetrosu Comune Hall, Anenii Noi District- ME "Chetrosu Communal House" - 4 277 consumers were connected to the infrastructure;
- the support measure granted by Calarasi City Hall - ME "Calarasi Communal - Housing" - until the state aid was granted, the sector of Vătămăneasa did not have sewerage networks. As of 01.09.2018 the number of consumers connected to the sewerage network was 145 households (or about 55% of the total households), etc.

As a result of the analysis of support measures provided for the provision of SGEIs, the following issues have been identified:

1. in most cases, the award of SGEIs is done through direct management, without any other forms of delegation being considered.

SGEIs can be managed by both municipal / state and private enterprises. It is specified that the main characteristics of SGEIs are universality, continuity, quality of service, accessibility and consumer protection. Thus, the choice of the form of SGEIs management must be made in order to protect the consumer and improve its welfare.

In order to ensure that consumers have access to continuous, quality and affordable services, it is important to set performance indicators for services provided by both municipal / state and private enterprises.

According to the National Competition and State Aid Program, one of the priority actions is the modification of the normative acts regulating the way in which the SGEI is provided, by imposing the obligation to set the performance indicators to the award of the public service management right based on the awarding act.

2. the need to implement an efficient public procurement mechanism in the public utilities sector, including by harmonizing the national legislation with the provisions of the European Union Directives 2014/25 / EU and 92/13 / EEC.

One of the actions of the National Competition and State Aid Program is the establishment of competitive principles in the provision of public utilities (in the water, sewerage, energy, public transport, postal services, etc.), including the approval of the Public Procurement Act in the utilities sector and the transposition of the EU Directives 2014/23 / EU, 2014/24 / EU, 2014/25 / EU, 92/13 / EEC and 2006/111 / EC into the Public Utilities Act no. 1402 of 24.10.2002.

3. insufficient knowledge of providers in the application of the provisions of the state aid legislation when granting support measures for the provision of SGEIs.

In order to increase the institutional capacity of the providers, a series of seminars on state aid and economic analysis will be organized.

4.4. State aid for environmental protection

Monitoring of state aids for environmental protection is carried out taking into account the evaluation criteria in the Regulation on State aid for environmental protection (approved by the Competition Council Plenum's Decision No. 9 of 30.08.2013). Under the provisions of that Regulation, the granting of State aid for environmental protection may be justified if the aid measures achieve a higher level of environmental protection than that which would be achieved without the aid in question and the positive effects of the aid is greater than its negative effects, in terms of distortion of competition, taking into account the "polluter pays" principle.

State Aid Scheme "Call for proposals no. 3 in the field of Energy Efficiency and Recovery of Renewable Energy Sources addressed to the public sector applicants"

By the Decision of the Plenum of the Competition Council no. ASO - 09 of 15.03.2016 was decided the authorization of the state aid scheme "Call for proposals no. 3 in the field of Energy Efficiency and Renewable Energy Renewables for Public Sector Applicants. "

In 2017, on the basis of the approved state aid scheme, the support measure was granted to 8 beneficiaries, totalling 4,714.44 thousand MDL. At the same time, on the basis of the information submitted by the Energy Efficiency Fund, it is found the compliance with the requirements of the Regulation on state aid for environmental protection, regarding the classification of state aid granted within the maximally admissible intensity thresholds, according to the decision of the Plenum of the Competition Council for authorization.

4.5. State aid for rescuing beneficiaries

The monitoring of state aid for rescuing beneficiaries is made taking into account the provisions of the Regulation on aid for rescuing beneficiaries in difficulty (approved by the Competition Council Plenum's Decision No. 6 of 30.08.2013).

a) *State aid granted to S.A. Banca de Economii," B.C. Social Bank" S.A. and B.C. UNIBANK S.A.*

By Government Decision No. 938 of 13.11.2014 on ensuring macroeconomic stability in the context of the regional conjuncture was accepted the proposal of the National Financial Stability Committee to grant, if necessary, by NBM to licensed banks, emergency credits in the amount of up to 9,500 million MDL, in order to ensure the stability of the financial system and to issue state guarantees (guarantees) to guarantee the emergency loans granted by the NBM.

NBM notified the Competition Council of the intention to grant State aid to banks: S.A. "Banca de Economii", B.C. "Social Bank" S.A. and B.C. UNIBANK SA. The Plenum of the Competition Council decided that the notified measure notified by the NBM constituted State aid within the meaning of the State Aid Law and authorized the rescue aid measure for the three banks (*Competition Council Plenum's Decision No. 01 SS from 27.11.2014*).

Under the State Aid Law and the Competition Council Plenum's Decision, the NBM was to submit to the Competition Council within 6 months of the granting of the state aid, a restructuring plan or the liquidation of the beneficiaries. Given that the above plan was not submitted by the deadline, the Plenum of the Competition Council ordered initiating the investigation into the signs of the violation of the state aid law by the NBM.

Following the investigation, it was found that, in the absence of a restructuring plan, the use of State aid by the beneficiary commercial banks after the expiration of 6 months after granting it is abusive, and commercial banks are due to reimburse the state aid in question. At the same time, the failure of the Ministry of Finance to notify the state aid granted in the form of state guarantees under preferential conditions for SA "Banca de Economii", BC "Banca Sociala" SA and BC "UNIBANK" SA is a violation of the Law on State Aid.

By the Decision of the Plenum of the Competition Council no. ASER-68 from December 11, 2015, it was decided to recover the state aid granted to SA "Banca de Economii", BC "Banca Sociala" SA and BC "UNIBANK" SA. To this end, the NBM and the Ministry of Finance are to take the necessary measures to recover the aid from the three banks.

According to the information submitted by the NBM, from the date of withdrawal of the license and up to 30.11.2017 inclusive, the three commercial banks made cumulative repayments in the total amount of 1,064 million MDL, as follows: SA "Banca de Economii" -329 million MDL, BC "Banca Sociala" SA. - 436 million MDL and BC "UNIBANK" SA - 299 million MDL.

The decision is to be further monitored by the Competition Council until the total recovery of the state aid by the NBM and the Ministry of Finance.

b) State aid granted to SA CA Air Moldova"

By the Decision of the Plenum of the Competition Council no. ASS - 43 from 14.09.2016 the state aid for rescue of SACA "Air Moldova" was authorized.

The state aid provider has fulfilled the obligation stipulated in point 3 of the Competition Council Plenum's Decision no. ASS - 43 of 14.09.2016, presenting the restructuring plan of SA CA "Air Moldova". The process of implementing the restructuring plan was completed with the takeover of SA CA "Air Moldova" by

"Civil Aviation Group" SRL, the new owner being committed to returning the airline's debts and restructuring the company.

4.6. Sectorial State Aid

State aid granted to the State Enterprise Moldovan Railways'for the purchase of locomotives and railway infrastructure restructuring

By the Decision of the Plenum of the Competition Council no. ASS - 44 of 02.07.2015 it was decided to authorize the State aid granted to the State Enterprise "Moldovan Railways" for the purchase of locomotives and railway infrastructure restructuring.

As a result of the monitoring of the support measure, it was found that the implementation of the modernization project of the SE "Moldovan Railways" was delayed with the purchase of new locomotives and the energy efficiency information system, which made the non-full payment of the premium instalments. At the same time, actions have been taken to disburse the EBRD funding tranches. By Government Decision no. 1402 of 05.12.2017, "The Concept for the Restructuring of the Railway Sector and the State Enterprise" Moldovan Railways" was adopted, for the years 2018-2021, the Action Plan for the "Moldovan Railways" being elaborated.

Taking into account that the approved support measures are to be implemented over a longer period, they will be further monitored by the Competition Council.

Chapter V. IMPLEMENTATION OF THE AUTOMATED INFORMATION SYSTEM "STATE AID REGISTER"

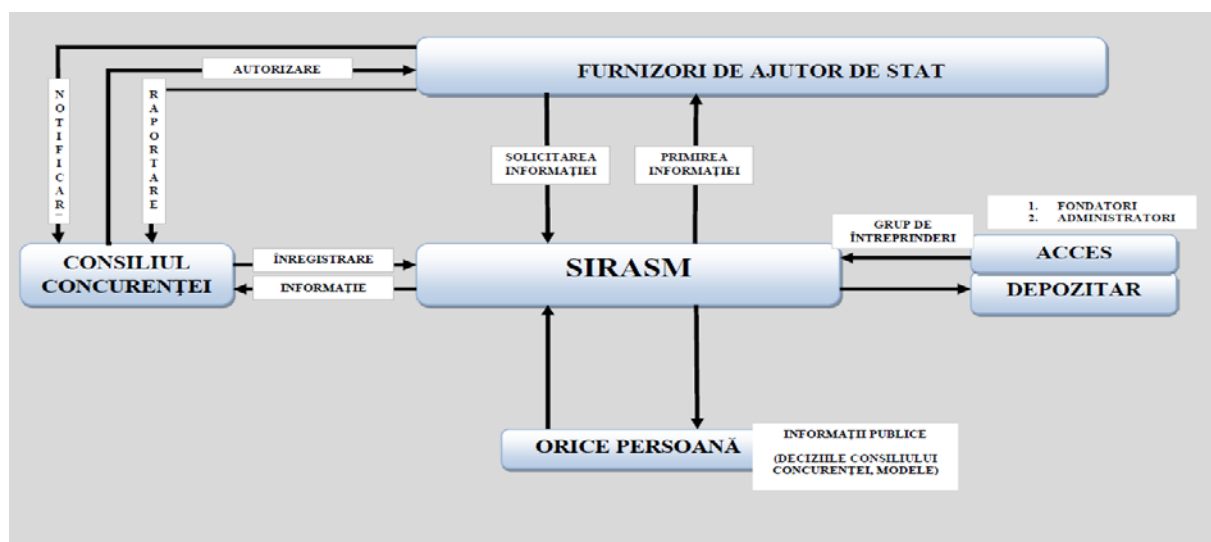
In order to achieve the commitment assumed by art. 342 of the Association Agreement and the need to increase transparency in the state aid operations, SIRASM was established.

SIRASM represents all the software, hardware, information, organizational, data transmission systems, their use technologies, legal norms and infrastructure for the informational support of the notification, recording, monitoring and reporting of state aids.

The baseline scenarios through which SIRASM functions are performed are divided into the following groups: to enter and update information and to provide information.

Figure no. 4

Operation of the Automated Information System "State Aid Register"



In order to implement SIRASM, Government Decision no. 378 of 27.05.2014 for the approval of the Concept of the Automated Information System "State Aid Register" and Government Decision no.1112 of 06.10.2016 for the approval of the Regulation on the way of maintaining the State Aid Register was developed and approved.

At the same time, in order to ensure the security of the stored information, the system is hosted by the Public Services Agency. Also, in order to facilitate the process of using the system and the implementation of the Law on State Aid, two informative materials for State aid providers were developed, the information being placed on the Competition Council's electronic page.

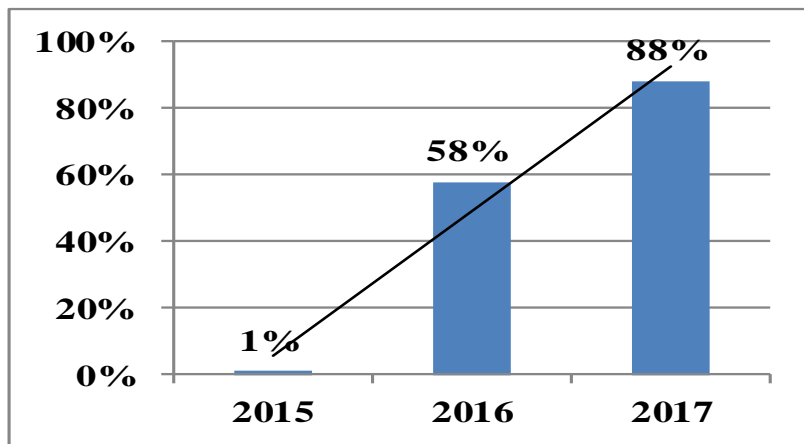
Implementation of SIRASM started at the end of 2015. In the period 2016-2017, the implementation of the online system continued. In 2017, 252 state aid providers were granted access, thus, 809 state aid providers are connected, of which

APCs - 37 (100% of potential providers), APLs - 760, and other providers (different legal entities) - 12.

Through SIRASM, 88% of all providers reporting state aid in 2017 used the system for this purpose.

Figure no.5

***Share of providers reporting state aid through SIRASM
in the period 2015 * -2017***



** SIRASM started to be implemented at the end of 2015*

In order to promote the competitive culture, including the part related to the implementation of the system, during 2017, the representatives of the Competition Council provided more than 1 500 phone consultations and organized around 90 consultative meetings and meetings with the state aid providers.

In the process of examining the notifications both the Competition Council and state aid providers communicated via the system, thus the correspondence costs through the use of the messaging option and the transmission time of the documents were reduced. The Competition Council will continue to develop and optimize SIRASM in order to streamline the notification, reporting and monitoring of state aid.

CONCLUSIONS AND PRIORITIES

State aid is an important component of economic policy and, in particular, of competition policy due to its impact on the competitive environment. State aid policy aims at correcting market failures and strengthening the national economy.

The main indicators for support measures reported for 2017 were:

- the amount of reported state aid (including SGEIs) amounted to 827,078 thousand MDL, which constituted 0.55% of GDP;
- the estimated value of the state aid (including the value of the support measures granted in the form of tax incentives) was 1,944,506 thousand MDL, which constituted 1.29% of GDP;
- the amount of state aid authorized by the Competition Council was 240,453 thousand MDL(29.07% of the total value);
- the decrease of the state aid amount with 1.3% of GDP as a result of the review of the state schemes implemented before the entry into force of the State Aid Law, the ratification of the Association Agreement and the changes in the national legislation;
- most State aid (69.44% of the number of state aids reported) was provided as state aid schemes;
- the largest share of state aids reported was budget expenditure, accounting for about 63% of the total amount;
- most of the state aids reported were for regional development, accounting for about 39% of the total value;
- the largest share of reported state aids was provided by the CPAs, which accounted for about 88% of the total reported measures;
- the amount of the de minimis aid amounted to 92,945 thousand MDL;
- most de minimis aid was reported by the LPAs, which accounted for 92.41% of the total de minimis aid reported;
- the highest value of de minimis aid (around 85%) continued to focus on supporting SMEs and providing SGEIs;
- the value of the support measures granted for the provision of SGEIs was 185,207 thousand MDL;
- the highest share of SGEIs State aid was granted to enterprises providing water supply and sewerage services, wastewater collection and treatment and sanitation services.

The main problems identified in the implementation of the state aid legislation are:

- 1) the largest share of the state aids granted in the form of fiscal and customs facilities had been implemented before the Law on State Aid entered into

force, being granted on the basis of the normative acts in force at the date of adoption, without substantiation on an ex-ante economic analysis of the impact of the respective measures on the competitive environment and to clearly identify the objective of granting them;

- 2) the mechanism for recording the fiscal facilities is insufficient to provide the necessary information to consider the support measures in the light of the state aid legislation;
- 3) the lack of knowledge in the field of state aid of the representatives of the public administration authorities, which creates difficulties for the implementation of the state aid legislation;
- 4) granting state aid without considering other possibilities that would ensure the implementation of public policies, but would have a minimal impact on the competitive environment.

For this purpose, priority actions in the field of state aid for the following periods are:

- efforts to align state aid schemes established before 16.08.2013 with the EU state aid acquis;

- intensifying the cooperation with the Ministry of Finance in order to streamline the mechanism for reporting and notifying the state aid granted as fiscal facilities. Re-examining, in collaboration with the Ministry of Finance, the support measures granted in the form of tax incentives from the perspective of the state aid legislation;

- working with providers to modify the legal acts of the SGEIs, by imposing the obligation to set performance indicators when awarding the right to manage the public service. Providing support to providers to ensure the provision of SGEIs on the basis of the awarding act, which must comply with the provisions stipulated in the state aid regulatory framework;

- development and optimization of SIRASM in order to make state aid notification, reporting and monitoring more efficient;

- raising the competitive culture in the state aid part of both public authorities and the entire society.

Compliance with state aid provisions will help achieve the objectives, correct market failures, increase business competitiveness and create a fair competitive environment.

ANNEXES

ANNEX I

TECHNICAL ANNEX

The technical annex provides general information on the scope of the report, the state aid classification and the de minimis aid on objectives, categories and forms, state aid assessment methods, and the sources of data that have been used.

The above mentioned information was grouped into the following chapters:

I. The scope of State aid and de minimis aid analyzed in the Report;

II. Objectives of state aid and de minimis aid;

III. Sources of data obtaining and assessment methods of the aid element.

I. Scope of State aid and de minimis aid analyzed in the Report

The Report on state aids granted in the Republic of Moldova was prepared on the basis of the "State Aid Register" prepared according to the reports submitted by state aid providers; according to the Government Decision no. 1112 of 06.10.2016 for the approval of the Regulation on the way of keeping the State aid Register.

The state aid and de minimis aid reported, which are the subject of this report, fall within the scope of:

- Law on state aid;
- Government Decision no. 1112 from 06.10.2016 for the approval of the Regulation on the way of maintaining the State aid Register;
- The Regulation on de minimis aid, approved by the Competition Council Plenum Decision no. 2 of 30.08.2013;
- The Regulation on the State Aid Registry, approved by the Competition Council Plenum's Decision no.3 of 30.08.2013.

II. Objectives of state aid and de minimis aid

State aid objectives (both aid schemes and individual aid allocations) were in line with the primary objective of allocating them.

III. Sources of data obtaining and assessment methods of the aid element

Sources of data obtaining

The figures are expressed in current prices for the national currency and in current prices for the euro.

The average annual MDL / euro exchange rate used was taken from the NBM website.

For State aid information and de minimis aid granted during the reference period, normative acts containing state aid schemes and / or individual aids and de minimis aid schemes and / or de minimis individual aid schemes reported by providers were used.

The reports were requested in the standard form according to Annex no. 1 and Annex no. 2 to the Regulation on the manner of keeping the State aid Register approved by the Government Decision no. 1112 of 06.10.2016 and contained the following elements:

- Title of the aid;
- Legal basis;
- Aid number (for reporting state aid);
- Category of aid (for reporting state aid);
- The period during which State aid is granted under this measure (for State aid reporting);
- The date when aid was ceased (to report de minimis aid);
- Objectives of state aid / minimis;
- The region;
- Origin of aid;
- Form of state aid / minimis;
- Description of the form of granting state aid / minimis;
- Type of State aid / minimis;
- Terms of Grant;
- Beneficiaries and the amount of state aid / minimis;
- Data on how to determine the amount of state aid / minimis;
- Remarks (for state aid reporting);
- Other information and comments (for reporting de minimis aid);
- Statement (for reporting de minimis aid).

Information on NBS and NBM web pages:

- the gross domestic product;
- Population number;
- the average annual MDL / euro exchange rate.

Methods of evaluating the help element

The amount of the state aid was determined according to the provisions of the normative acts establishing a state aid / minimis aid scheme or individual aid was granted, taking into account the secondary legislation, namely the Regulation on the notification form, examining and adopting the decisions on state aid (approved by the Competition Council Plenum's Decision no.1 of 30.08.2013)

**LIST OF LEGAL ACTS BASED ON WHICH STATE AID HAS BEEN
REPORTED FOR 2017**

1. Tax Code no. 1163 of 24.04.1997, art.103, par. (1) p.10); Law no.1380 of 20.11.1997 on the customs tariff, art.28 let. z1); Government Decision no. 1165 of 24.10.2016 for the approval of lists of medicinal raw materials, materials, articles, primary and secondary packaging used in the preparation and manufacture of medicaments;
2. Tax Code no. 1163 of 24.04.1997, art.124 par. (16); Government Decision no.1574 of 09.12.2002 for the determination of the annual volume of undiluted ethyl alcohol for use in the perfumery and cosmetics industry;
3. Tax Code no. 1163 of 24.04.1997, art. 96 let.b); Government Decision No.378 of 31.05.2017 on the determination of the amount of non-denatured ethyl alcohol intended for pharmaceutical production and use in medicine for 2017; Government Decision No. 454 of 15 April 2016 on the determination of the amount of non-denatured ethyl alcohol for pharmaceutical production and use in medicine for 2016; Government Decision no.771 of 17.06.2016 on the amendment of the Government Decision no.454 of 15.04.2016; Government Decision No.18 of 04.03.2015 on the determination of the amount of non-denatured ethyl alcohol intended for use in medicine for the year 2015;
4. Tax Code no. 1163 of 24.04.1997, art.103, par. (7); Government Decision no.182 of 13.03.2013 approving the list of organizations and enterprises of the companies of the blind, deaf and invalid societies, exempt from the payment of the VAT on the goods and services rendered to the budget;
5. Tax Code no. 1163 of 24.04.1997, art. 49; Law no.440-XV of 27.07.2001 on free economic zones;
6. Tax Code no. 1163 of 24.04.1997, art. 53¹;
7. Tax Code no. 1163 of 24.04.1997, art. 53²;
8. Tax Code no. 1163 of 24.04.1997, art. 68;
9. Code no. 259 of 15.07.2004 on Science and Innovation of the Republic of Moldova; Law no. 279 from 16.12.2016 to the state budget for 2017; Law no. 138 of 21.07.2007 regarding the scientific-technological parks and innovation incubators; Government Decision no. 809 of 29.10.2015 regarding the approval of the Partnership Agreement between the Government and the Academy of Sciences of Moldova for 2015; Government Decision no. 952 of 27.11.2013 on the approval of the Republic of Moldova's Innovation Strategy for the period 2013-2020 "Competitiveness Innovations"; Government Decision no. 685 from 13.09.2012 regarding the approval of the Small and Medium Enterprises

- Development Strategy for the years 2012-2020; Government Decision no. 920 of 07.11.2014 regarding the approval of the R & D Strategy of the Republic of Moldova until 2020; Decision of the Supreme Council for Science and Technological Development of the ASM no. 37 of 19.02.2016 on the financing of technology transfer projects in 2016; Decision of the Supreme Council for Science and Technological Development of the ASM no. 54 of 28.02.2017 on the financing of technology transfer projects in 2017; Decision of the Supreme Council for Science and Technological Development of the ASM no. 77 of 14.06.2016 regarding the approval of certain decisions of the Bureau of the Supreme Council for Science and Technological Development; Decision of the Supreme Council for Science and Technological Development of the ASM no. 96 of 18.07.2017 on the financing of technology transfer projects in 2017;
- 10.Code no. 259 of 15.07.2004 on Science and Innovation of the Republic of Moldova; The State Budget Law for 2017 no. 279 of 16.12.2016; Decision of the Supreme Council for Science and Technological Development of the ASM no.6 of 12.01.2017 on the allocation of the volume of allocations and expenditures for science and innovation for 2017 according to the State Budget Law 2017;
 - 11.Code no. 259 of 15.07.2004 on Science and Innovation of the Republic of Moldova; The State Budget Law for 2017 no. 279 of 16.12.2016; Government Decision no. 809 of 29.10.2015 regarding the approval of the Partnership Agreement between the Government and the Academy of Sciences of Moldova for 2015; Decision of the Supreme Council for Science and Technological Development of the ASM no. 54 of 28.02.2017 on the financing of technology transfer projects in 2017;
 - 12.Code no. 259 of 15.07.2004 on Science and Innovation of the Republic of Moldova; The State Budget Law for 2017 no. 279 of 16.12.2016; Law no. 154 from 01.07.2016 to the state budget for 2016;
 13. Tax Code no. 1163 of 24.04.1997 art.124 paragraph (18);
 - 14.Tax Code no. 1163 of 24.04.1997 art.103 paragraph (1) point 32);
 - 15.Tax Code no. 1163 of 24.04.1997, art. 103 par. (1) point 27³); Law no.1380 of 20.11.1997 on the customs tariff, art.28 let. Y²);
 - 16.Law no.1164 of 24.04.1997 for the implementation of Titles I and II of the Fiscal Code, art. 24 (15) let. b) ;
 17. Law no. 1164 of 24.04.1997 for the implementation of Titles I and II of the Fiscal Code, art. 24 (15) let. c) ;
 - 18.Law no. 1164 of 24.04.1997 for the implementation of Titles I and II of the Fiscal Code, art. 24 paragraph (16) ;
 - 19.Law no.1164 of 24.04.1997 for the implementation of Titles I and II of the Fiscal Code, art. 24 paragraph (17) ;
 - 20.Law no. 8 of 17.02.2005 regarding the International Free Port "Giurgiulesti";

21. Law No. 172 of 25.07.2014 on the approval of the Combined Nomenclature of Goods, point 7 of the General Rules for the Application of Customs Duties;
22. Law no. 1417 of 17.12.1997 for the implementation of Title III of the Fiscal Code, art. 4 paragraph (18); Government Decision no. 819 from 18.10.2017 for the approval of the Regulation on the granting of certain categories of VAT facilities in accordance with the provisions of art. 103 paragraph (7) of the Tax Code no. 1163-XIII of April 24, 1997 and art. 4 para. 18 (b) of Law No 1417-XIII of 17 December 1997 for the implementation of Title III of the Fiscal Code; Government Decision No. 1085 of 22 November 2010 approving the List of Organizations and Enterprises of the Societies of Blinds, Deaf and Disabled, exempted from VAT on the importation of raw materials, materials, and accessories the accessories necessary for the production process itself;
23. The Law on the State Budget for the year 2017 no. 279 of 16.12.2016; Government Decision no. 819 from 18.10.2017 for the approval of the Regulation on the granting of certain categories of VAT facilities in accordance with the provisions of art. 103 paragraph (7) of the Tax Code no. 1163-XIII of April 24, 1997 and art. 4 para. 18 (b) of Law No 1417-XIII of 17 December 1997 for the implementation of Title III of the Fiscal Code;
24. State Budget Law 2017 no. 279 of 16.12.2016; Decision of the Supreme Council for Science and Technological Development of the ASM no. 291 of 27.10.2016 on the allocation of financial means for the year 2017 on the financing of joint research projects between the Academy of Sciences of Moldova and the National Authority for Research and Innovation in Romania; Decision of the Supreme Council for Science and Technological Development of the ASM no. 287 of 27.10.2016 regarding the approval of the results of the competition and the volume of budgetary allocations for the year 2017 of the scientific research projects for young researchers; Decision of the Supreme Council for Science and Technological Development of the ASM no. 286 of 27.10.2016 regarding the approval of the results of the competition and the volume of budgetary allocations for the year 2017 of the scientific research projects within the state programs; Decision of the Supreme Council for Science and Technological Development of the ASM no. 13 of 26 April 2017 on the approval of the results of the competition and the volume of budget allocations for the year 2017 of the projects for the "Organization of international scientific events"; Decision of the Bureau of the Supreme Council for Science and Technological Development of the ASM no. 12 of 26.04.2017 regarding the approval of the results of the competition and the volume of budget allocations for the year 2017 of the projects for "Editing of scientific monographs (works of value)"; Decision of the Supreme Council for Science and Technological Development of the ASM no. 54 of 28.02.2017 on the financing of technology transfer projects in 2017;

25. Decision of the Parliament no. 477 of 02.06.1995 for the ratification of the Agreement on general conditions and the mechanism for supporting the development of the cooperative production of enterprises and branches of the countries of the Commonwealth of Independent States; Government Decision no. 369 of 05.06.1995 on the measures for the implementation of the Agreement on General Conditions and the Mechanism for Supporting the Development of the Cooperative Production of Enterprises and Industries of the Member States of the Commonwealth of Independent States and of the Protocol on the Mechanism for the Implementation of this Agreement;
26. Decision of the Parliament no. 1588 of 27.02.1998 on granting loans to housing cooperatives for the years 1998-1999; Decision of the Parliament Nr. 834 of 16.05.1996 on co-operatives for the construction of housing; Decision of the Parliament Nr. 209 of 29.07.1994 on the granting of loans to housing cooperatives; Decision of the Parliament Nr. 1294 of 23.02.1993 on the implementation of the Law on the State Budget; Government Decision no. 323 of 28.06.1991 on measures to stimulate the construction of houses and housing cooperatives; Government Decision no. 349 of 07.06.1993 on measures for the protection of housing cooperatives; Government Decision no. 811 of 15.12.1992 on measures to assist housing cooperatives; Government Decision no. 35 of 22.01.1992 on additional measures to stimulate cooperative housing construction;
27. Law no. 1380 of 20.11.1997 on the customs tariff art. 28 let. s); Law no. 1417 of 17.12.1997 for the implementation of Title III of the Fiscal Code, art. 4 para. (17);
28. Law no. 60 of 30.03.2012 on the social inclusion of persons with disabilities; The State Budget Law for 2017 no. 279 of 16.12.2016;
29. Law no. 1421 of 31.12.2002 on theatre, circuses and concerts; The State Budget Law for 2017 no. 279 of 16.12.2016;
30. Law no. 102 of 13.03.2003 on employment and social protection of persons seeking employment; Government Decision no. 594 of 20.06.2005 regarding the approval of the Procedure for Employers' Stimulation for the employment of the graduates of the higher education institutions financed from the state budget;
31. Law no. 102 of 13.03.2003 on employment and social protection of persons seeking employment; Government Decision no. 862 of 14.07.2003 for the approval of procedures for access to employment measures, Annex 3;
32. Law no. 142 of 02.07.2010 on energy efficiency; Law no. 160 from 12.07.2007 renewable energy; Government Decision no. 401 of 12.06.12 on the Energy Efficiency Fund;
33. Law no. 1380 of 20.11.1997 on the customs tariff *, art. 28, let. 1);
34. Law no. 22 of 27.02.2015 on the ratification of the Loan Agreement between the Republic of Moldova and the EBRD for the realization of the Project for the purchase of locomotives and for the restructuring of the railway infrastructure;

35. Law no. 276 on the principles of subsidizing agricultural producers; Government Decision no. 455 of 21.06.2017 on the allocation of the funds of the National Fund for Agriculture and Rural Development; Government Decision no. 903 of 07.11.2017 on the modification and completion of the Government Decision no. 455 of 21 June 2017;
36. Law no. 182 of 15.07.2010 regarding industrial parks art. 12; Government Decision no. 440 of 16.06.2011 on the granting of the title of industrial park to the "TRACOM" SA;
37. Law no. 1515 of 16.06.1993 on the protection of the environment, art. 85;
38. Law no. 1308 of 25.07.1997 on the normative price and the way of selling the land; Government Decision no. 1428 of 16.12.2008 approving the Regulation on the sale-purchase of the afferent land;
39. Law no. 179 of 10 July 2008 on public-private partnership; Law no. 534 of 13 July 1995 on the concession; Government Decision no. 438 of 19.05.2012 on the initiation of the public private partnership project for the concession of Chisinau International Airport; Government Decision no. 321 of 30.05.2013 regarding the approval of the concession of the assets of SE "Chisinau International Airport" and the conditions of their concession; Government Decision no. 715 of 12.09.2013 approving the Report on the running and the results of the closed tender for the selection of the concessionaire of assets SE "Chisinau International Airport"; Government Decision no. 780 of 04.10.2013 regarding the reconfirmation of the Government Decision no. 321 of 30.05.2013 regarding the approval of the concession of assets of SE "Chisinau International Airport" and the conditions of their concession;
40. Government Decision no. 364 from 03.06.2008 regarding the approval of the National Program for Economic Empowerment of Youth (PNAET); Government Decision no. 2503-330 of 04.10.2010 on the extension of the program for 2011-2013; Government Decision no. 140 of 21.02.2014 Extending the National Program for Economic Empowerment of Young People for the Period 2011-2016; Government Decision no. 664 from 03.06.2008 regarding the National Program for Empowerment of Young People;
41. Government Decision no. 774 of 13.08.1997 on the nomenclature of services with legal significance in the field of intellectual property protection;
42. Government Decision 1133 of 12 October 2016 for the approval of the Operations Manual on the implementation of assistance credit provided by the Government of the Republic of Poland;
43. Civilian Authority Aeronautical Authority's debt rescheduling agreement of 23.04.2013;
44. Contract for assignment of claims of the Civil Aeronautical Authority from 08.11.2016, 26.12.2016;

45. Contract for the assignment of claims of the Civil Aeronautical Authority from 21.07.2017;
46. Law no. 344 of 23.12.1994 on the special legal status of Gagauzia (Gagauz-Yeri); ATU Gagauzia Law no. 24-XV / II of 26.12.2000 on investment and investment activities ATU Gagauzia; ATU Gagauzia Law no. 70-XXXIII / V of 30.06.2016 on guaranteeing the rights of the subjects of the investment activity; ATU Gagauzia Law no. 11-VI / VI of 08.09.2017 regarding the modification and completion of the Law no. 77-XXXVI / V of 17.12.2016 of the budget for 2017; The Decision of the People's Assembly of Gagauzia no. 290-XXXII / IV of 01.10.2010 regarding the granting of the tax regime for ME "Marigold" SRL; Decision of the Executive Committee of Gagauzia no. 9/19 of 29.07.2010 regarding the granting of the tax regime for ME "Marigold" SRL; Decision of the Executive Committee of Gagauzia no. 3 / 4 of 16.03.2015 on the activity of the enterprises benefiting from the preferential tax regime for the years 2013-2014; Decision of the Executive Committee of Gagauzia no. 14 / 4 dated 10.07.2017 regarding the approval of the socio-economic development strategy of Gagauzia 2017-2022; Decision of the Executive Committee of Gagauzia no. 29/6 of 26.12.2017 on measures implementing the ATU Gagauzia Law no. 11-VI / VI of 08.09.2017 regarding the modification and completion of the Law no. 77-XXXVI / V of 17.12.2016 of the budget for 2017;
47. Law no. 344 of 23.12.1994 on the special legal status of Gagauzia (Gagauz-Yeri); ATU Gagauzia Law no. 24-XV / II of 26.12.2000 on investment and investment activities ATU Gagauzia; ATU Gagauzia Law no. 70-XXXIII / V of 30.06.2016 on guaranteeing the rights of the subjects of the investment activity; ATU Gagauzia Law no. 11-VI / VI of 08.09.2017 regarding the modification and completion of the Law no. 77-XXXVI / V of 17.12.2016 of the budget for 2017; Decision of the People's Assembly of Gagauzia no. 407-XLVIII / IV of 16.05.2012 regarding the granting of the tax regime for IM "Vitapharm-Com" IM; Decision of the Executive Committee of Gagauzia no. 6/3 of 05.04.2012 regarding the granting of the tax regime for ME "Vitapharm-Com"; Decision of the People's Assembly of Gagauzia no. 423-L / IV of 10.08.2012 regarding the introduction of the amendments to the Decision no. 407-XLVIII / IV of 16.05.2012 regarding the granting of the tax regime for IM "Vitapharm-Com" SA; Decision of the Executive Committee of Gagauzia no. 3 / 4 of 16.03.2015 on the activity of the enterprises benefiting from the preferential tax regime for the years 2013-2014; Decision of the Executive Committee of Gagauzia no. 14 / 4 dated 10.07.2017 regarding the approval of the socio-economic development strategy of Gagauzia 2017-2022; Decision of the Executive Committee of Gagauzia no. 29/6 of 26.12.2017 on measures implementing the ATU Gagauzia Law no. 11-VI / VI of 08.09.2017 regarding the modification and completion of the Law no. 77-XXXVI / V of 17.12.2016 of the budget for 2017;

48. Decision of Chisinau Municipal Council no. 2 / 36-3 of 01.04.2011 on the operation of some modifications in the decision of the Chisinau Municipal Council no. 13 / 15-1 of 15.12.2009 regarding the renting of rooms from 64 A, Bucharest Str. (ground floor) of the Individual Enterprise, "L-Liubici Gallery"
49. Decision of the Balti Municipal Council no. 10/2 of 27.09.2012 regarding the approval of the Loan Agreement between the ME "Balti Trolleybus Directorate" and the European Bank for Reconstruction and Development and the Agreement for guaranteeing and supporting the project between Bălți Municipality, the European Bank for Reconstruction and Development and the " Trolleybus Directorate of Balti ";
50. Decision of the Balti Municipal Council no. 8/60 of 27.10.2005 regarding the guarantee;
51. Decision of the Balti Municipal Council no. 8/50 of 27.11.2008 on the guarantee;
52. Decision of the Edineț City Council no. 19/20 of 23.08.2013 regarding the creation of Edinet Industrial Park;
53. Land Lease Agreement no. 166 of 15.12.2014 issued by Comrat City Hall, Gagauzia ATU.

ANNEX III
THE VALUE OF THE REPORTED STATE AID DEPENDING ON OBJECTIVES AND FORMS OF GRANTING
(thousand MDL)

Objective	2015							2016							2017						
	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Horizontal Objectives	329 335	0	67 047	1 150	0	0	6 019	100 830	0	68 816	876	0	0	325	114 827	0	31 362	428	0	0	6 504
Research, development and innovation	284 791	0	0	0	0	0	0	72 278	0	50	0	0	0	0	74 912	0	0	0	0	0	0
Environmental Protection	39 637	0	2 460	0	0	0	0	20 937	0	0	0	0	0	0	8 355	0	15 910	0	0	0	0
SMEs support	960	0	2 658	1 150	0	0	6 019	3 668	0	3371	876	0	0	1 929	20 046	0	2 555	428	0	0	6 504
Rescue	0	0	0	0	0	0	0	0	0	123	0	0	0	0	4 927	0	3 126	0	0	0	0
Reorganization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support for staff training and job creation	3 947	0	61 929	0	0	0	0	3 947	0	65 272	0	0	0	0	6 587	0	9 771	0	0	0	0

Objective	2015							2016							2017						
	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticipat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticipat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cancellin g or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Other horizontal objectives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sectoral Aid, depending on the sectors of activity of the national economy	0	0	1 328 523	753 900	19	0	17 976	97 549	0	162 477	6	0	0	0	0	0	133 396	71	0	0	0
Steel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shipbuilding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Synthetic fibres	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto	0	0	367 249	0	0	0	0	0	0	0	0	0	0	0	0	0	8 298	0	0	0	0
Other manufacturing sectors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Coal: Aid for current production	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Coal: other aids	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rail transport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Air transport	0	0	226	0	0	0	0	0	0	0	0	0	0	0	0	0	4 203	0	0	0	0
Tourism	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Objective	2015							2016							2017						
	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cancellin g or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Financial services	0	0	0	733 900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other sectorial objectives	0	0	961 048	20 000	19	0	17 976	0	0	0	0	0	0	0	0	0	120 895	71	0	0	0
State aid for regional development	82 736	0	2 211 352	0	6 549	0	544	0	0	2 090 741	0	6 656	0	2 845	185 124	0	67 081	63	4 224	0	296
SGEIs	122 001	0	764 605	44 322	3 674	17 910	131 109	39 925	0	22 197	48 137	181	2 266	98 318	54 134	0	101	43 762	6 157	0	57 488
Social aid granted to individual consumers, provided that they are granted without any discrimination based on the origin of the goods or services	0	0	51 146	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Promoting culture and preserving cultural heritage	112 624	0	0	0	0	0	0	122 059	0	0	0	0	0	0	122 059	0	0	0	0	0	0

Objective	2015							2016							2017						
	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticpat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exemption, reductions, deferrals or reschedulin g of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Aid to remedy damage caused by natural disasters or other exceptional circumstances	0	0	0	0	0	0	0	0	0	38 487	0	0	0	0	0	0	0	0	0	0	0
TOTAL	524 695	0	3 658 068	755 050	6 568	0	24 539	320 438	0	2 360 521	881	6 656	0	4 774	422 011	0	231 838	562	4 224	0	6 800
TOTAL (inclusive SGEIs)	646 696	0	4 422 673	799 372	10 242	17910	155 648	360 363	0	2 382 718	49 018	6 837	2 266	103 092	476 145	0	231 939	44 324	10 381	0	64 288

ANNEX IV

THE VALUE OF REPORTED STATE AID DEPENDING ON FORMS OF GRANTING AND ON PROVIDERS

(thousand MDL)

State aid providers	2015							2016							2017						
	Subventi ons and / or subsidies	Cancellin g or taking over debts	Exempti on, reductio ns, deferrals or reschedu ling of taxes, fees and other mandato ry payment s	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventi ons and / or subsidies	Cancellin g or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferent ial interest	Granting of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticipat ed by a prudent private investor	Discount s on the price of the goods and services provided, including the sale of movable and immovab le goods below the market price	Subventi ons and / or subsidies	Cance lling or taking over debts	Exempti on, reductio ns, deferrals or reschedu ling of taxes, fees and other mandato ry payment s	Granting loans with preferent ial interest	Granti ng of guarante es under preferent ial terms	Investme nts by the provider if the return on such investme nts is less than the normal rate anticipat ed by a prudent private investor	Discou nts on the price of the goods and servic es provid ed, includ ing the sale of movab le and immo vable goods below the mar ket price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Academy of Sciences of Moldova	275 967	0	0	0	0	0	0	3 037	0	0	0	0	0	0	3 179	0	0	0	0	0	0
Agency for Interventions and Payments in Agriculture	11 343	0	0	0	0	0	0	97 549	0	0	0	0	0	0	179 782	0	0	0	0	0	0
State Agency for Intellectual Property	0	0	2 091	0	0	0	0	0	0	2 362	0	0	0	0	0	0	2 555	0	0	0	0
National Agency for Employment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency for Innovation and Technology Transfer	8 824	0	0	0	0	0	0	5 820	0	0	0	0	0	0	4 490	0	0	0	0	0	0
Public Property Agency	0	0	7 007	0	0	0	0	0	0	7 505	0	0	0	2 798	0	0	8 662	0	0	0	6 504
Civil Aviation Authority	0	0	8 338	20 000	0	0	0	0	0	683	0	0	0	0	0	0	3 538	0	0	0	0
National Bank of Moldova	0	0	0	733 900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit Line Directorate	960	0	0	934	0	0	0	3 668	0	0	491	0	0	0	20 046	0	0	491	0	0	0
Energy Efficiency Fund	27 142	0	0	0	0	0	0	16 762	0	0	0	0	0	0	6 761	0	0	0	0	0	0
Ministry of Agriculture, Regional Development and Environment *	83 889	0	0	0	0	0	0	4 175	0	0	0	0	0	0	1 595	0	0	0	0	0	0

State aid providers	2015							2016							2017						
	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Ministry of Economy and Infrastructure *	0	0	1 125	0	0	0	17 976	0	0	33 100	0	0	0	0	0	0	1 125	0	0	0	0
Ministry of Education, Culture and Research *	112 624	0	0	0	0	0	0	144 789	0	0	0	0	0	0	146 763	0	0	0	0	0	0
The Ministry of Finance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63	0	0	0
Ministry of Health, Labour and Social Protection *	3 947	0	0	0	0	0	0	44 638	0	0	0	0	0	0	49 127	0	0	0	0	0	0
State Tax Service	0	0	157 320	0	0	0	0	0	0	207 389	0	0	0	0	0	0	118 062	0	0	0	0
Customs Service	0	0	3 481 620	0	0	0	0	0	0	2 108 473	0	0	0	0	0	0	97 897	0	0	0	0
Grant Implementation Unit of the Government of Japan [Ministry of Economy]	0	0	567	216	0	0	5 667	0	0	1 009	385	0	0	1 604	-	-	-	-	-	-	-
Chişinău Municipal Council	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	249
Bălţi Municipal Council	0	0	0	0	6 549	0	0	0	0	0	0	6 656	0	0	0	0	0	0	4 188	0	0
Executive Committee of Gagauzia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10 269	0	0	0	0	0	0

State aid providers	2015							2016							2017						
	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
A	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Comrat City Hall	0	0	0	0	0	0	8	0	0	0	0	0	0	8	0	0	0	0	0	0	8
Edinet City Hall	0	0	0	0	0	0	39	0	0	0	0	0	0	39	0	0	0	0	0	0	39
Cuizăuca Village Hall, Rezina district	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Drăgănești Commune Hall, Sângerei District	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CB "Moldindconbank" SA	0	0	0	0	19	0	0	0	0	0	5.59	0	0	0	0	0	0	0	8	0	0
IP "Dubasari Business Incubator"	0	0	0	0	0	0	117	0	0	0	0	0	0	90.74	0	0	0	0	0	0	0
IP "Ștefan Vodă Business Incubator"	0	0	0	0	0	0	236	0	0	0	0	0	0	234.4	-	-	-	-	-	-	-
IP "Rezina Business Incubator"	0	0	0	0	0	0	141	0	0	0	0	0	0	0	-	-	-	-	-	-	-
IP "Soroca Business Incubator Gunnar Due Gundersen"	0	0	0	0	0	0	240	0	0	0	0	0	0	0	-	-	-	-	-	-	-
IP "Sângerei Business Incubator"	0	0	0	0	0	0	112	0	0	0	0	0	0	0	-	-	-	-	-	-	-

State aid providers	2015							2016							2017						
	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price	Subventions and / or subsidies	Cancelling or taking over debts	Exemption, reductions, deferrals or rescheduling of taxes, fees and other mandatory payments	Granting loans with preferential interest	Granting of guarantees under preferential terms	Investments by the provider if the return on such investments is less than the normal rate anticipated by a prudent private investor	Discounts on the price of the goods and services provided, including the sale of movable and immovable goods below the market price
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SIEG	122 001	0	764 605	44 322	3 674	17 910	131 109	39 925	0	22 197	48 137	181	2 266	98 318	54 134	0	101	43 762	6 157	0	57 488
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**The information is presented according to CPA reorganization

***State aid schemes have been aligned