



ANNEX C1: Twinning Fiche

Project title: Strengthening the institutional capacities of the Competition Council to enforce the competition and state aid policy in line with the EU best practices

Beneficiary administration:

Competition Council of the Republic of Moldova as the central beneficiary

Twinning Reference: MD 23 NDICI FI 01 24 (MD/40)

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EU funded project

TWINNING TOOL

List of abbreviations

<i>Acronyms Term</i>	<i>Explanation</i>
AA	Association Agreement
DCFTA	Deep and Comprehensive Free Trade Area Agreement
BC	Beneficiary
EC	The European Commission
GD	Government Decision
ICT	Information and Communication Technology
MEDD	Ministry of Economic Development and Digitalisation
MIP	Multiannual Indicative Programme
Moldova	The Republic of Moldova
MS	Member State (EU)
NDS	National Development Strategy “European Moldova 2030”
PSC	Project Steering Committee
SDGs	Sustainable Development Goals
SND	National Development Strategy ‘Moldova 2030’

1. Basic Information

- 1.1 Programme: NDICI Moldova/ACT-61828/EU4 Moldova Integration and Stability - (JAD.1166320)
- 1.2 Twinning Sector: Finance, Internal market and economic criteria (Competition)
- 1.3 EU funded budget: EUR 1,500,000.00
- 1.4 Sustainable Development Goals (SDGs): 8 Decent work and economic growth, 16 Peace, justice and strong institutions, 17 Partnership for the goals

2. Objectives

2.1 Overall Objective

The overall objective is to enhance the internal market in Moldova by facilitating the effective implementation and enforcement of Competition and State Aid policies in line with the EU-Republic of Moldova Association Agreement, relevant European acquis, the EU Integration process, and international agreements and ensure fair competition, foster market integrity, and safeguard consumer welfare in the Republic of Moldova.

2.2 Specific objective

The specific objective of the Twinning project is to strengthen the capacities of the Competition Council to enforce the competition and state aid policy in line with commitments taken by the Republic of Moldova in the framework of the EU integration process.

- 2.3 The elements targeted in strategic documents (such as the National Development Strategy “European Moldova 2030”, EU-Moldova Partnership and Cooperation Agreement, Association Agreement, Sector reform strategy and related Action Plans).

The proposed project will support the Competition Council and the Government of the Republic of Moldova (hereinafter ‘Moldova’) to build its institutional capacities to harmonize its legislation and implement it in line with the acquis communautaire and international commitments. The EU, its Member States, and the Republic of Moldova signed an Association Agreement, including a Deep and Comprehensive Free Trade Area, in 2014 and fully applied it from 2016 after its ratification. An Association Agenda sets out a list of priorities for joint work on implementing the Association Agreement. The revised joint document, covering 2021-2027 guidelines, EU-Moldova bilateral relations under the Multiannual Financial Framework for the programming period 2021-2027. During the European Council on 23 June 2022, Moldova was granted EU candidate status⁴². Ahead of this decision, the country submitted the ‘Information requested by the European Commission to the Government of the Republic of Moldova for the preparation of the Opinion on the application of the Republic of Moldova for membership of the European Union’⁴³. Chapter 8 outlines the status of areas to be addressed by this Twinning project.

This Twinning is also coherent with the national priorities set in the main strategic planning document of the country, the National Development Strategy (NDS) “European Moldova 2030”

⁴² <https://www.consilium.europa.eu/en/policies/eastern-partnership/moldova/>

⁴³ Part I: (general part): <https://gov.md/ro/content/informatii-solicitate-de-comisia-europeana-catre-guvernul-republicii-moldova-pentru-0> and Part II (specific part, with single chapters): <https://gov.md/ro/content/informatii-solicitate-de-comisia-europeana-catre-guvernul-republicii-moldova-pentru>

(approved by the Parliament in November 2022⁴⁴). The National Development Strategy "Moldova 2030" indicates the priority areas and directions for the long-term sustainable development of the Republic of Moldova. It represents the strategic reference document for all national, regional, and local policy documents.

In addition, the twinning project will support the activities related to the implementation of the provisions of Title V Trade and trade related matters from the Association Agreement, Chapter 10 – Competition, by aligning with the general objectives of the European Competition Policy.

3. Description

3.1 Background and justification:

EU-Moldova relations are strengthened through the Association Agreement (AA)⁴⁵, signed on 27 June 2014 and fully applied after ratification in 2016), as well as the Deep and Comprehensive Free Trade Area Agreement (DCFTA)⁴⁶. During the European Council on 23 June 2022, Moldova was granted EU candidate status⁴⁷. Ahead of this decision, the country submitted the ‘Information requested by the European Commission to the Government of the Republic of Moldova for the preparation of the Opinion on the application of the Republic of Moldova for membership of the European Union’⁴⁸. Chapter 8 outlines the status in areas to be addressed by this Twinning project.⁴⁹ Overall, the European Commission concluded ‘Moldova has some level of preparation in the area of competition policy. The Competition Council is understaffed and continues to face constraints in terms of human resources and its capacity to conduct investigations and monitor implementation of legislation.

In the coming year, Moldova should in particular: align the legislative framework with the *acquis* on antitrust, mergers and State aid; increase the transparency of State aid granted by the government and further align State aid schemes in place with the EU *acquis*, including those applied in free economic zones; strengthen the administrative and institutional capacity of the Competition Council.’ An annual assessment of progress under Chapter 8 will be part of the annual Enlargement Packages.

The Twinning is aligned with the National Development Strategy “European Moldova 2030⁵⁰” and the Multiannual Indicative Programme (MIP) 2021-2027 for the Republic of Moldova⁵¹, agreed in 2022. The MIP 2021-27 supports resilience, recovery, and reform in the Republic of Moldova in line with the Association Agenda 2021-2027. Under the Priority Area Resilient, sustainable and integrated economies, chapter IV Economic Development and market opportunities, it is clearly

⁴⁴ <https://www.moldpres.md/en/news/2022/11/17/22008740> and for the entire text use https://imf.md/press/SND2030_377.2022.ro_ENG_google.docx

⁴⁵ https://eur-lex.europa.eu/legal-content/hr/ALL/?uri=uriserv%3AAOJL_2014.260.01.0004.01.ENG, https://eeas.europa.eu/archives/docs/moldova/pdf/eu-md_aa-dcfta_en.pdf, https://gov.md/sites/default/files/document/attachments/7048451_en_acord_asociere.pdf, <https://eur-lex.europa.eu/EN/legal-content/summary/association-agreement-with-moldova.html>

⁴⁶ http://eeas.europa.eu/archives/docs/moldova/pdf/eu-md_aa-dcfta_en.pdf

⁴⁷ <https://www.consilium.europa.eu/en/policies/eastern-partnership/moldova/>

⁴⁸ Part I: (general part): <https://gov.md/ro/content/informatii-solicitate-de-comisia-europeana-catre-guvernul-republicii-moldova-pentru-0> and Part II (specific part, with single chapters): <https://gov.md/ro/content/informatii-solicitate-de-comisia-europeana-catre-guvernul-republicii-moldova-pentru>

⁴⁹ https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-02/SWD_2023_32_%20Moldova.pdf

⁵⁰ https://www.legis.md/cautare/getResults?doc_id=134582&lang=ro

⁵¹ C(2022) 4323 final of 29.6.2022 - ANNEX of the Commission Implementing Decision on the annual action plan in favour of the Republic of Moldova for 2022 Action Document for EU4 Resilience and Governance, C(2022) 4323 final of 29.6.2022 on adopting a multiannual indicative programme for the Republic of Moldova for the period 2021-2027

stated that additional support is needed for improving institutional capacities, efficiency, transparency and the competition regulatory framework of Moldova.

The central beneficiary for this Twinning project is the Competition Council of the Republic of Moldova (CC). The CC plays a vital role in fostering and enforcing competition and State aid regulations in the country. In the context of the Republic of Moldova's economic situation and its aspiration to become a member of the EU, among the various chapters of negotiation that must be addressed on its path to EU membership, the competition chapter holds particular importance. By implementing regulations that promote competition and prevent monopolistic practices, Moldova aims to enhance its economic efficiency, attract foreign investments, and ensure that its businesses can effectively compete in the European market.

The CC is an independent authority, subordinated to the Parliament. It is responsible for enforcing the Competition Law in all sectors of the economy and it is also in charge of enforcing the State aid Law. The main activities of the CC encompass investigation of anticompetitive practices, merger review, and assessing, authorizing and monitoring State aid measures.

Regarding antitrust legal framework, the ECN+ Directive has been recently transposed, but there are still a few aspects that have not been aligned with the provisions of the ECN+ Directive, mainly pertaining to the maximum level of fines, clarifying certain juridical concepts, ensuring a real budgetary and financial independence of the CC and conducting dawn raids in private spaces of individuals only with prior judicial authorization. In antitrust matters, the existing secondary legislation needs substantial revision as it does not reflect the latest amendments and revisions which have been enacted in the European Union over the recent years.

The current State aid legal framework does not reflect the most recent developments in the EU law. Lately, efforts have been made to align the Moldovan State aid legislation with the EU standards, however, they were not substantial and further alignment is necessary. As regards the secondary legislation on State aid, although the high number of regulations were initially adopted on the basis of the respective EU State aid acquis, it is now to a great extent outdated. Most of the relevant regulations were adopted in 2013, with a few in 2016 and 2020, and no significant amendments have been made since then.

The CC has a dual structure, consisting of the Plenum, which is the decision-making body, and the Executive body, which includes the investigative body of the authority (Article 35 paragraph 1 of Competition Law).

The Plenum is a Collegial decision-making body, composed of 5 members, namely a president, two vice presidents and two members, who exercise functions of public dignity (Article 35 paragraph 2). The members of the Plenum do not represent the authority that appointed them, namely the Parliament, and are independent in making decisions. The term of office for the members is 5 years (Article 42 paragraphs 1-3). The Plenum, as a decision-making body, exercises the management of the authority, according to the law, and adopts decisions, provisions, prescriptions, opinions and any other administrative acts, as well as decisions and normative acts implementing legislation under the competence of the CC.

The Executive body is composed of specialized and operational subdivisions called departments. The 11 specialized departments responsible for conducting investigations in the field of competition and State aid were set to be led by Executive Head. Other 7 departments with support attributions are directly subordinated to the President. The CC staff includes civil servants and technical-administrative staff (Article 35 paragraph 3). The activities and functions of the investigative departments are carried out by the competition enforcement staff under the supervision of the directors.

Through the Parliament Decision No. 8/2019, regarding the approval of the organizational structure

and staffing limit of the CC, a total of 130 positions were approved for the CC. However, as of July 25, 2023, only 63 individuals were actually employed at CC, constituting 48.5% of the total available positions. Over the past four years, there has been a noticeable decline in the number of personnel within CC. In 2019, only 69.2% of positions were filled, with the figure dropping to 63.8% in 2020, 55.3% in 2021, and 50.8% by the end 2022. As mentioned earlier, this downward trend persisted in 2023.

According to Article 39 of the Competition Law, the authority's main responsibilities are the following: investigation of anti-competitive agreements, practices of abuse of dominant position, unfair competition practices and other practices, prohibited actions/inactions of public authorities, control of economic concentrations, control of State aid, performing sectoral inquiries, issuing opinions on draft legislative acts that may have an anti-competitive impact, responsibilities for regulating rail transport under the terms of the Rail Transport Code, unfair trading practices, commercial advertising, cooperation with regulatory authorities, elaboration of the normative acts necessary for the implementation of the legislation whose application has been entrusted to it, raising awareness and promoting competition culture.

In order to achieve a more competitive and harmonized market, further efforts are required to strengthen the CC' enforcement tools, clarify procedures, allocate sufficient resources (human resources and financial resources), ensure the independence of the CC, the independence of the Plenum members, introduce sector-specific regulations, and improve public awareness about competition policies.

3.2 Ongoing reforms:

The National Program for Promoting Entrepreneurship and Enhancing Competitiveness 2023-2027 (PACC 2027) includes specific activities, which are relevant to the Twinning support, such as: development of the methodology for identifying the negative impact on competition caused by the existing and proposed regulatory framework. Assessing the impact on competition and promoting regulatory changes to reduce negative impacts

The monitoring and evaluation processes of the Program are ensured by the Ministry of Economic Development and Digitalisation.

In addition, upon the request of the CC, a "Peer-Review of the Competition Council of the Republic of Moldova" has been carried out during May-December 2023 by an international team with representatives of the Romanian Competition Council, the Lithuanian Competition Council and the Polish Competition Authority.

The overall objective of the Peer review was to conduct a comprehensive external evaluation of the CC, its institutional framework, enforcement practices, identify regulatory gaps between the Moldovan primary and secondary legislation and the EU acquis, and provide relevant recommendations. The assessment's goal was to provide a necessary basis for further implementation of international standards and best practices in competition and State aid and improve the efficiency of the CC's operations.

The Peer review Report provides recommendations regarding strengthening the institutional capacities and practices in the field of competition and State aid in the Republic of Moldova. Specific advice is given concerning functional and organizational independence.

The recommendations provided regarding the revision of the relevant Moldovan national legislation (primary and/or secondary), changing the internal procedures within the CC, changing enforcement practices and procedures, further strengthening the capacities of the CC in its enforcement activities and advocacy initiatives will be integrated in the Twinning project.

3.3 Linked activities:

Competition Sector is supported by a large number of diverse partners, EU member state organizations, World Bank, Civil Society and (sub)sector organizations. Sector coordination is weak, there is no Coordination Council for external assistance.

The below listed projects are an extract of the most relevant interventions for institutional capacity building of the Twinning project. Synergies shall be enhanced with other development partner's interventions, whenever possible and as appropriate.

The projects listed herein are a synthesis of the most pertinent initiatives that aim to address the diverse challenges confronting the Competition Council:

- ***EU funded project: Support for structured policy dialogue, coordination of the implementation of the Association Agreement and enhancement of the legal approximation process” – Republic of Moldova***

Project's overall objective: to increase the capacities of the Government of the Republic of Moldova and other key national institutions in implementing the EU-Republic of Moldova Association Agreement and Association Agenda, in view of the country integration into the European Union.

In 2024, the project supports the following initiative in which the Competition Council acts as a (co-)beneficiary:

- Support in conducting market studies in some of the key sectors of the Moldovan economy (medicines, grain and oil crops supply chain, and the market of supplying food and agricultural products to retail chains). The project is currently in the process of identifying the relevant expert who provide support to the Council in conducting these studies.
- Expert support in the process of aligning state aid schemes in Free Economic Zones.

- ***USAID Moldova Institutional and Structural Reform Activity Program (MISRA)***

MISRA will provide the following assistance to the Competition Council during 2024-2025:

- Mapping and evaluation of internal processes within the Council and identifying optimal solutions for their digitization;
- Development and implementation of an automated document and case management system.
- Development of a new website for the Competition Council.
- Support to the Council's communication efforts.

- ***Use of the TAIEX tool***

An application for a TAIEX project on the *Implementation of the new rules in the field of de minimis aid* was submitted in February 2024 (subject to approval). If approved, it will allow the representatives of the Competition Council and *Ministry of Economic Development and Digitalization and Organization for Entrepreneurship Development* to familiarize with the experience of some EU Member Countries in developing their *de minimis* aid registries in order to start the development of a similar registry in the Republic of Moldova.

Other initiatives to be implemented in 2024 through the TAIEX mechanisms are being prepared to be implemented in 2024 (eg. in the areas merger control, food and agricultural products supply markets, etc.).

3.4 List of applicable *Union* acquis/standards/norms:

- Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 101 and 102 TFEU;
- Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market
- Directive 2014/104/EU of the European Parliament and of the Council of 26 November 2014 on certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union;
- Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (codification) (OJ L 248 of 24.09.2015)
- Council Decision of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines (OJ L 336 of 21.12.2010)
- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 of 26.6.2014, consolidated: OJ L 167 of 30.06.2023);
- Council Regulation (EC) No.659/1999 laying down detailed rules for the application of Art. 93 of the TEU;
- Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11.01.2012);
- European Union framework for State aid in the form of public service compensation (OJ C 8 of 11.01.2012);
- Framework for State aid for research and development and innovation (OJ C 414 of 28.10.2022);
- Guidelines on State aid to promote risk finance investments (OJ C 508 of 16.12.2021)
- Guidelines on regional State aid (OJ C 153 of 29.4.2021)
- Guidelines on State aid for climate, environmental protection and energy (OJ C 80 of 18.2.2022);
- Guidelines on State aid to airports and airlines (OJ C 99 of 4.4.2014)
- Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest (OJ C 8 of 11.1.2012);
- Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty (OJ C 249 of 31.7.2014, prolongation: OJ C 224 of 8.7.2020)
- Guidelines on State aid for climate, environmental protection and energy (OJ C 80 of 18.2.2022)

- Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union C/2016/2946, OJ C 262, 19.7.2016
- Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid C/2023/9700, OJ L, 2023/2831, 15.12.2023

<i>Domestic Legal Framework relevant to the Twinning project (extract, not exhaustive)</i>
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- Competition Law no. 183/2012
- Law No.139/2012 on State Aid

3.5 Components and results per component

Mandatory result/Component 1: Strengthened institutional and administrative capacity of the Competition Council to implement the EU acquis and best practices towards an EU-like competition authority

Twinning component 1 shall focus on improving the internal organisation and operations of the CC, so that the CC handles cases in a more efficient manner and gets in a position to respond effectively to the needs of implementation of the competition and state aid rules. Twinning support is aimed at further strengthening the CC towards an EU-like competition authority. The project will contribute to the development of an institutional development plan of the CC until 2026 in line with the National Development Strategy “European Moldova 2030” and support the implementation of a comprehensive Performance Appraisal System for the employees incorporating clear, objective, and quantifiable performance indicators aligned with the core activities of the Competition Council.

Under this component should be envisaged the support for the development of a methodology and relevant performance indicators for assessing the institutional performance of the Competition Council as a national competition and state aid agency, including a methodology for assessing the impact of Competition Council’s operations and decisions on consumer welfare, market dynamics, and the overall national economy. This system should incorporate comprehensive metrics and methodologies to evaluate both direct and indirect effects, facilitating evidence-based policy evaluation and informed decision-making.

The CC should receive support for developing and implementing a long-term and comprehensive Human Resources Development Strategy based on a thorough gap analysis and professional development needs assessment. The strategy shall focus on enhancing staff professional competencies, improving recruitment procedures and retention policies, and facilitating seamless integration for new employees. The implementing authorities should provide support to the Competition Council and other relevant stakeholders in identifying remaining gaps in the existing legislation on competition and state aid (encompassing both primary and secondary legislation), other than the gaps identified during the screening process, as well as keep the Competition Council updated on the new EU legislation, and provide necessary assistance in drafting relevant amendments aimed at aligning it with the European acquis. While acknowledging the recent substantial review of the Competition Law and the conclusions of the screening exercise, this activity will continue the efforts towards continuous improvement of the Moldovan competition and state aid legislation and its alignment with the European standards to facilitate successful accession negotiations with the European Union in the area of competition and state aid. Undertake an analysis of the existing Competition Council’s organisational chart and the performance to refine the structure of the Competition Council to enhance its efficiency, alongside improvements to internal

protocols and operational procedures. Propose adjustments to internal regulations, workflows and working methodologies, emphasizing the development or enhancement of internal guidelines and standard operating procedures (SOPs), if necessary. The assessment exercise should be combined with an evaluation of current information systems and IT tools used by the Competition Council employing as benchmarks the existing best practices as applied by European national competition authorities, and develop relevant tailored recommendations. Additionally, provide procurement support (if relevant), assisting in RFP drafting, vendor proposal evaluation, and contract negotiation to ensure seamless implementation and maintenance aligned with the Competition Council's objectives. Support CC to initiate and undertake various public awareness campaigns to improve understanding of competition and state aid matters, promote a culture of fair competition, explain and raise awareness about specific enforcement tools and mechanisms, and highlight the Competition Council's role. Additionally, improve and enhance outreach and communication efforts for more efficient dissemination of key messages about the Council's initiatives, fostering engagement of civil society and key stakeholders. Improve the existing one and further develop a comprehensive initial and continuous training programmes for the staff of the Competition Council, fostering a culture of continuous learning within the authority. This activity will include the creation and oversight of individual professional development plans integrated into the general programme. It is expected that under this component will be organised regular trainings, study visits, and team-building activities to ensure necessary knowledge transfer, skills development, and experience exchange in order to achieve the objectives of the project. Additional support will be provided for the development, publication, and dissemination of information materials and guidelines on various issues of competition and state aid.

Mandatory result/Component 2. Competition policy aligned to the EU acquis and best practices

Twinning activities under this component shall focus on strengthening the Competition Council's capacities to effectively implement competition policy and enforce competition legislation in line with EU acquis and the existing best practices. The respective actions will concentrate on enhancing the efficiency and effectiveness of the Council's operations and enforcement actions through capacity-building initiatives, with a particular emphasis on improving infringement identification and investigation activities.

While conducting the relevant activities, the necessity to use advanced information and technical systems and tools and ensure digitisation of Competition Council's operation shall be considered as one of the priorities in developing institutional capacities of the Council.

The support provided shall cover the main areas of activity (anti-competitive agreements, abuse of dominant position, merger control, anti-competitive actions by public authorities, and unfair trading practices), as well the promotion of leniency and whistleblowing programmes.

Under this component should be conducted comprehensive training sessions to enhance and deepen the Competition Council's understanding and application of EU rules in each of the relevant areas as specified above. The trainings will encompass interactive workshops, case studies, and knowledge evaluations to reinforce learning outcomes and enhance the Council's capacity for effective enforcement. The CC should benefit of support in developing effective mechanisms for identification of competition infringements, including various screening tools, market analyses, collecting and analysing relevant economic data, etc. The relevant mechanisms should include the application of advanced data analytics techniques and use of economic indicators to systematically identify potential violations and prioritize enforcement actions. In addition, it should be facilitated the establishment of effective leniency and whistleblowing programmes to encourage reporting of

anti-competitive behaviour and strengthen enforcement capabilities. This activity may include but should not be limited to the development of clear and easy-to-understand reporting procedures, use of anonymous reporting channels, and development of monetary compensation mechanisms for whistle-blowers, etc. Strengthen the Competition Council's capabilities to conduct effective dawn raids by training the staff on comprehensive planning of dawn raids and necessary skills and procedures to conduct them, identification and collection of relevant evidence during the dawn raid, use of specific tools to sort out and analyse the evidence. It will include simulated exercises, legal briefings, and practical guidance on planning, evidence collection and seizure techniques, etc. Support the CC to develop an efficient system of the merger control. This activity will focus on strengthening the Competition Council's capacity to effectively review and assess merger notifications, conduct rigorous market assessments and economic analyses to evaluate potential competitive effects of mergers, and engaging with stakeholders to gather relevant information and address concerns. Strengthen the capacities of the Competition Council in using specific IT tools and forensic techniques, for better detection of infringements and enhancing the effectiveness of investigations. This initiative will encompass the deployment of specialized software for data analysis, digital forensics tools for evidence collection, and capacity-building activities to ensure effective utilization of these resources in infringement detection and investigation processes. Provide assistance in conducting market studies and performing various types of economic analysis in the relevant economic sectors. Provide support to the Competition Council in identifying, conveying, and effectively putting in practice the relevant enforcement priorities. This activity will involve facilitating strategic planning sessions, conducting stakeholder consultations, and analysing market trends. This activity shall also cover clear communication actions to convey priorities internally and externally, fostering alignment and commitment across the organization.

Mandatory result/Component 3: State aid policy aligned to the EU acquis and best practices

Implementation of this component will aim to enhance the Competition Council's capacity to implement state aid rules in line with the EU acquis. The focus will be on strengthening institutional capabilities to ensure effective state aid control and enforcement, particularly in identifying, assessing, and monitoring state aid measures, as well as conducting state aid infringement investigations. Assistance provided will encompass various aspects of state aid policy, including notification procedures, evaluation procedures for specific types of state aid, and enforcement mechanisms.

Under this component should be conducted specialized training sessions and other capacity building activities to deepen the Competition Council's understanding and application of EU state aid rules, covering key notions and procedures and various categories of state aid. The trainings will include workshops, case studies, and practical exercises tailored to the unique challenges and complexities of state aid regulation. The project should support the development of a robust mechanisms for identifying and assessing state aid measures, including the establishment of clear procedures for reviewing state aid notifications and conducting in-depth assessments of their compatibility with EU rules. This objective will involve the development of screening tools, specific regulations and guidelines to ensure thorough and consistent evaluation of different types and categories of state aid. Under this component will be provided technical assistance in conducting legal and economic analyses of state aid measures to establish the relevant measures meet all the state aid criteria and assess the compatibility of the respective measures. In addition, this should contribute to the enhancement of the stakeholder engagement and consultation processes to ensure effective communication and cooperation between the Competition Council and other public authorities, as well as other relevant stakeholders involved in state aid matters in order to promote understanding of state aid rules and procedures. This will involve organizing workshops, roundtable discussions, and public consultations. The project will support the organisation of trainings on relevant state aid

issues for actual and potential providers, particularly to ministries (eg. Ministry of Economic Development and Digitisation, Ministry of Infrastructure and Regional Development, Ministry of Finance, Organisation for the Development of Entrepreneurship, Public Property Agency, etc.) and other relevant institutions, including local public authorities. In addition, support will be provided in minimizing the duration of the examination of State aid cases, provide a greater transparency of the decisions adopted and ensure uniform communications concerning these decisions, as well as, improve and upgrade the state aid information systems, including the module (or a separate registry) on de minimis aid.

3.6 Means/input from the EU Member State Partner Administration(s)*:

The project will be implemented in the form of a Twinning contract between the Beneficiary Country (BC) and EU Member State(s). The implementation of the project requires one Project Leader (PL) with responsibility for the overall coordination of project activities and one Resident Twinning Adviser (RTA) to manage the implementation of project activities, Component Leaders (CL), and a pool of short-term experts to cover each sub-result to be achieved.

Member State(s) inputs shall be concise and focused on the strategy and methodology and an indicative timetable, the quality of the expertise to be mobilized to clearly show the administrative structure and capacity of the Member State entities to ensure the achievement of overall and specific objectives and mandatory results/outputs. The set of proposed activities will be further developed when drafting the initial work plan and successive rolling work plans, keeping in mind that the final list of activities will be decided in cooperation with the Twinning beneficiaries.

The Twinning project will be implemented by close cooperation between the partners aiming to achieve the mandatory results in a sustainable manner. Interaction between beneficiary institution's staff and the Twinning experts shall be based on 'expert-to-expert' cooperation through joint working sessions for review and elaboration of documents and mentoring and backstopping focussing on 'on-the-job' knowledge transfer rather than single short-term expert missions and participation in training.

Several study visits shall be organized, that cover a variety of Twinning areas of intervention, with a clear focus on practical application, for the exchange of good practices and experience for the representatives of the institutions involved in the project from the Beneficiary Country. Traineeships or internships can be proposed.

It is important to note that this Twinning project extends not only on transposition (of legal texts) but is focused on implementation (i.e., real-life practice).

The interested Member State(s) shall include in their proposal the CVs of the designated Project Leader (PL) and the Resident Twinning Advisor (RTA), as well as the CVs of the potentially designated Component Leaders (CLs).

3.6.1 Profile and tasks of the PL:

- Master's degree in a relevant field to this Twinning Project (law, economics, etc.) or equivalent professional experience of 8 years in the absence of the required degree;
- At least 3 years of professional experience as a high-ranking or middle management official in the competition or state aid sector of an EU member state administration (required);
- Previous practical experience in project management;
- Experience in leading or managing a team is considered an asset;
- Professional work experience in EU accession countries, the western Balkans or neighbourhood east is an asset;

- Excellent communication skills in written and spoken English (minimum C1 level);
- Computer literacy;
- Proven contractual relation to a public administration or mandated body, as defined under Twinning Manual 4.1.3;
- Experience in an EU-funded Twinning Project is an asset;

The Project Leader should attend the Steering Committee meetings with at least a quarterly visit to the Beneficiary Country. The Project Leader is responsible to coordinate the activities, disseminate project information among all stakeholders, take part in discussions with high level officials, present and defend project input and expected outputs, manage the project team, prepare project management reports, help overcome project related obstacles, and assist the RTA for continuous development of project initiatives. In addition, he/she will coordinate, from the MS side, the Project Steering Committee (PSC), which will meet in Moldova every three months. He/she will involve other relevant entities, taking into account on-going horizontal public administration reform efforts and sectorial activities that could have an impact on the project, and bear – together with the Beneficiary Project Leader – the final responsibility for an efficient and effective implementation of the Twinning project.

Project Leader Tasks:

- Design, supervision, and coordination of overall project preparation;
- Overall coordination and management of the implementation of the project in cooperation with the Beneficiary Project Leader;
- Timely achievement of the project results;
- Ensuring sound implementation of the envisaged activities;
- Monitoring and evaluating the needs and priorities in the respective sector, project risks, progress against the project budget, benchmarks, and outputs, and taking any necessary remedial actions if needed;
- Coordinate the work of the RTA;
- Ensure effective use of project resources and inputs to achieve the expected results;
- Liaise with the Beneficiary Project Leader, particularly with respect to making any changes to the project work plan that are necessary during the life of the project;
- Together with the Beneficiary Project Leader (and relevant EU Delegations), co-chair the regular meetings of the Project Steering Committee;
- Take responsibility for interim and final reports together with the Beneficiary Project Leader;
- Provision of legal and technical advice and analysis whenever needed.

3.6.2 Profile and tasks of the RTA:

It is foreseen that the RTA will be based at the Competition Council of the Republic of Moldova.

In order to reach the planned strengthened institutional development and cooperation among the beneficiary institution, the RTA and involved institutions need to align project activities and cooperate closely together. Therefore, RTA will have the overall coordination, responsibility for the reporting and ensuring EU visibility of activities.

The RTA will provide full-time input and advice to the project for the entire duration of the project, as main liaison partner for the Beneficiary Project Leader with the responsibility to coordinate in the field and on a day-to-day basis all the activities planned in the Twinning.

The RTA will be responsible for the selection and supervision of a RTA Assistant and RTA language assistant/secretary and the management of the short-term experts' input. She/he will brief, guide and

support the STEs seconded to the project and participants of study visits. She/he will provide guidance and support in the organisation of workshops and roundtable discussions.

The RTA can come from a Member State administration or mandated bodies (full or ad hoc).

Profile RTA:

- University degree in a relevant field for this Twinning Project (i.e. law, economics), or at least 8 years of equivalent professional experience ;
- At least 3 years of specific professional experience in the competition or state aid sector related to the implementation of the Union acquis and competition objectives. Having at least six years of experience is an asset;
- At least 2 years of experience in project management; in the competition or state aid sector will be an asset;
- Good knowledge of Competition or state aid related EU legislation and regulations is desirable;
- Professional work experience in EU accession countries, the western Balkans or neighbourhood east is an asset;
- Excellent communication skills in written and spoken English (verbal and written, minimum C1 level);
- Excellent analytical and report writing skills;
- Cultural and interpersonal sensitivity in working with diverse stakeholders and interest groups;
- Computer literacy;
- Knowledge of Romanian or Russian language is an asset;
- Proven contractual relation to a public administration or mandated body, as defined under Twinning Manual 4.1.6.

RTA tasks:

- Coordination of all Twinning project activities and experts' inputs in the country.
- Ensuring smooth correlation between the activities, deadlines and the envisaged results in the Work Plan.
- Provision of technical advice and assistance to the administration or other public sector bodies in the BC in the context of a predetermined work plan to ensure timely completion of project outputs.
- Guiding and coordinating assistants to the RTA.
- Coordination, facilitation and monitoring of the STEs work during their missions (organize briefings and debriefings, sharing of mission report and recommendations).
- Document and knowledge management allowing an appropriate record of the delivered outputs.
- Liaison with MS, Beneficiary Project Leaders, EU Delegation Sector/Programme manager; daily contact with the RTA counterpart.
- Monitor and follow up on implementation of expert mission findings.
- (co-)Drafting of project progress reports with the Project Leader.
- Ensure visibility of EU support provided through the Twinning and establish the communication strategy.

RTA shall be supported by a full-time project and a full-time language assistant, therefore two full-time assistants.

RTA assistants will cooperate on the organisational matters under the direction of the RTA and will be recruited and funded by the project for the duration of the respective RTA assignment. The RTA assistants will provide logistical and administrative support, technical translation and interpretation services for the RTA to facilitate the implementation of the Twinning project activities and assist in the preparation of working documents, organisation of seminars, training and study tours. The profile of the RTA assistants will be specified by the RTA who will proceed to their recruitment following the provisions of the Twinning Manual.

3.6.3 Profile and Tasks of Component Leaders:

For each of the three mandatory results, the Member State(s) will identify and assign a Component Leader with appropriate skills and knowledge. Considering that the project will cover different areas of activities, it will be crucial to have skilled and autonomous Component Leaders. These Component Leaders will ensure continuity and consistency within each of the fields concerned as well as monitor progress and the implementation of recommendations. While Component Leaders will not be resident in Chişinău, they are expected to visit Chişinău and work locally (for extended periods) with the beneficiary institutions at least 4 times per working year. CVs and proposed activities of each Component Leader shall be an integral part of the MS proposal. Detailed expert input shall be established when drawing up the Twinning Work Plan. The Component Leaders of each Mandatory Result will work in close collaboration with the RTA. They will report to the Project Leader and cooperate with their counterparts and other beneficiaries at the PSC meetings. The main task of the Component Leaders is to coordinate the activities under the area of responsibility in liaison with the partner institutions.

The Components Leaders shall comply with the following minimum requirements:

- Be a civil servant or a staff member in a Member State public administration or mandated body responsible for the competition (component 1, 2) or state aid sector (component 3);
- University degree in a field relevant to this assignment or equivalent professional experience of 8 years in the absence of the required degree;
- At least 3 years of experience specifically in the field covered by the project component for which the Component leader will be responsible;
- Good knowledge of related EU legislation and regulations.
- Excellent communication skills in written and spoken English (minimum C1 level);
- Excellent analytical skills;
- Cultural and interpersonal sensitivity in working with diverse stakeholders and interest groups;
- Computer literacy;
- Previous experience in IPA or ENI countries is an asset;
- Knowledge of Romanian or Russian language is an asset.

Tasks:

- Coordination and implementation of the project activities related to their component in close cooperation with the Beneficiary Component Leader counterpart, RTA, and RTA Counterpart;
- Preparation of Terms of Reference (ToR) for short-term expert (STE) missions relevant to their component and overseeing the implementation of STEs' missions;
- Continuing monitoring of objective achievements related to their component and comparing current progress with the specified benchmarks and time frame;
- Support RTA in preparation of the interim, quarterly, and final reports related to their component;

3.6.4 Profile and tasks of other short-term experts:

The project will require specialist expertise from a number of short-term experts (STE) in order to cover the full range of specialized expertise required, providing the necessary skills and experience according to the expected results mentioned above.

STE profiles (general requirements)

- University degree in a field relevant to this assignment or equivalent professional experience of 8 years in the absence of the required degree.
- At least 3 years of specific experience in the specific field of expertise;
- Good knowledge of related EU legislation and regulations.
- Experience in knowledge transfer and/or training of employees of supervisory and/or regulatory bodies in EU Member State.
- Institutional Strengthening, Strategic Planning, Good Governance and Business Planning expertise.
- IT/e-Government / Training and capacity building / Communication / Reporting expertise.
- Excellent analytical skills.
- Excellent communication skills in written and spoken English (verbal and written, minimum C1 level).
- Cultural and interpersonal sensitivity in working with diverse stakeholders and interest groups.
- Computer literacy.
- Experience in the Republic of Moldova is an asset.
- Knowledge of Romanian or Russian language is an asset.

STE Tasks:

- To provide technical inputs in specific areas of project implementation in order to achieve mandatory results listed in the Twinning fiche, including organisation of workshops, training, coaching, drafting of methodological and relevant handout materials, as per the terms of reference provided by the RTA prior to each mission.
- Facilitating workshops and delivering training sessions.
- Cooperate closely with all beneficiaries' experts in undertaking all activities.
- Advance preparation and familiarisation with relevant documentation.
- Report to the project team.

4. Budget

The maximum budget available for the Grant is EUR 1,500,000.00.

5. Implementation Arrangements

5.1 Implementing Agency responsible for tendering, contracting, and accounting:

The European Union Delegation to Moldova (EUD) will be responsible for operational management, payments and financial reporting, and will work in close cooperation with the Beneficiary.

Contact person for Twinning: Ms Natalia Burciu

Address: 10. Mitropolit Petru Movilă street, Chisinau, MD-2004

Tel.: +373-22-505210

5.2 Institutional framework

The Competition Council (CC) is the leading beneficiary institution.

5.3 Counterparts in the Beneficiary Administration:

The Project leader (PLs), Resident Twinning advisor (RTA) and Component leader (CL) counterparts will be staff of the Beneficiary administration(s) and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:

Ms Cristina Zara, Head of Policies and External Relations Department; Competition Council of the Republic of Moldova
Chişinău mun, 1, Alecu Russo street, MD-2068

5.3.2 PL counterpart:

Mr Alexei Gherţescu, President of the Competition Council of the Republic of Moldova
Chişinău mun, 1, Alecu Russo street, MD-2068

5.3.3 RTA counterparts

For component 1:

Ms Mihaela Rusu, Head of Human Resources Department, Competition Council of the Republic of Moldova
Chişinău mun, 1, Alecu Russo street, MD-2068

For component 2:

Ms Gabriela Corcimari, Head of the Legal Department, Competition Council of the Republic of Moldova
Chişinău mun, 1, Alecu Russo street, MD-2068

For component 3:

Ms Oleseă Lungu, Head of the State Aid Registering and Reporting, Competition Council of the Republic of Moldova
Chişinău mun, 1, Alecu Russo street, MD-2068

6. Duration of the project

The overall execution period of the Twinning project is 30 months, with 27 months of implementation.

7. Management and reporting⁵²

7.1 Language

The official language of the project is the one used as contract language under the instrument (English). All formal communications regarding the project, including interim and final reports, shall

⁵² Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

be produced in the language of the contract.

7.2 Project Steering Committee

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements in line with the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalizing the interim reports, and discussing the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

7.3 Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in sections 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and input. Two types of reports are foreseen in the framework of Twining: interim quarterly reports and a final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements in line with the mandatory results and provide precise recommendations and corrective measures to be decided by to ensure further progress.

8. Sustainability

With the Twinning, the delivery of the long-term benefits from acquiring additional expert knowledge and skills, strengthening administrative capacities, improving regulatory framework, and harmonizing legislation with the EU shall be ensured – alongside ongoing reforms.

Expert recommendations must be reviewed according to their feasibility in the context of Moldova, its legal and regulatory framework, political will, and institutional and other stakeholder capacities. Joint monitoring of project progress and achievement of results will be conducted, fostering commitment and leadership by the beneficiary administration.

The project approach will focus on supporting beneficiaries by providing them with tools and approaches to analysis and by facilitating the development of policy options instead of offering solutions and delivering final outputs. The acquired expertise and skills of the staff and increased capability will continue to be used for further alignment with EU standards and best international practice after the project ends. The development and practical use of these skills during the project will also ensure sustainability in the future operations of the beneficiaries. Where relevant, the Twinning will explore to which extent training foreseen under it might be included or expanded upon in relevant training curricula of national training institutions.

The project will serve as a significant opportunity to further develop existing partnerships with EU institutions aiming at harmonization of the legislation with the EU Acquis.

9. Crosscutting issues

The principle of equal opportunity will be integrated into all stages of the project implementation, including equal opportunities in training, study visits, and participation in all the Projects' missions and events, contributing thus to the promotion of gender equality. The principle of equal opportunity shall apply both to the staff involved in the project and to other parties participating in the project activities. Every effort will be made to ensure broad gender representation at all stages of the project implementation.

The activities envisaged under the project will not negatively affect the environment. During the implementation of the project, the production of printed material will be minimized to have a positive

influence on the environment.

10. Conditionality and sequencing

There is no general precondition set for this twinning project.

The project will ensure a well-coordinated legal approximation process involving all responsible parties in compliance with the recognized standards and good practices.

The twinning beneficiary commits to provide the contributions stated in the Fiche. They include such as:

- Strong commitment and support of management throughout the project implementation period;
- Strong involvement of assigned staff at all levels;
- Assigning dedicated staff according to the project components;
- Ensuring coordination between departments and institutions connected with the Project;
- Ensuring access to necessary information and documents, especially concerning the national regulatory framework.

The project-specific activities will be defined and prioritized in close coordination between the Twinning partners, Member states and Beneficiary Country, based on the Logical Framework.

11. Indicators for performance measurement

The specific objective of the Twinning project is to strengthen the capacities of the Competition Council to enforce the competition and state aid policy in line with commitments taken by the Republic of Moldova in the framework of the EU integration process. Therefore, a key performance indicator will be the progress reported in the Enlargement progress report chapter 8 ‘Competition policy’ as per the improved level of preparedness.

Overall, Twinning performance measurement will be based on the quality and timeliness of expert inputs (reports, mappings, training manuals, presentations etc.) provided as well as beneficiary satisfaction with the collaboration in response to the expressed needs for human resource and institutional capacity development.

Result:		Indicator:
1	Strengthened institutional and administrative capacity of the Competition Council towards an EU-like competition authority	- Increased level of preparedness and compliance with EU legal framework and best practices
2	Competition policy aligned to the EU legal framework and best practices	- Enhanced staff skills for conducting effective investigations: No. of trainings, events, study tours; participants satisfaction and progress evaluations - Increased level of harmonization with the European competition legal framework. -
3	State aid policy aligned to the EU legal framework and best practices	- Increased level of harmonization with the European state aid legal framework (secondary legislation, state aid schemes etc.)

Annex C1 a Simplified Logical Framework includes a more detailed overview of project specific targets and indicators for performance measurement, complementing the mandatory results and sub-results enumerated in Chapter 3.5.

12. Facilities available

Office space for the RTA and his/her assistants as well as for (on average) two short-term experts will be at CC.

These offices will be equipped with all necessary equipment (computer, printer, internet access). Training and presentations will take place in conference rooms provided by the beneficiary, equipped with a projector and computer for presentations, flipcharts, and stationary items. STEs may also work with involved beneficiary experts in their offices and will be provided with the necessary equipment (computer, internet access, specific software).

Security-related issues will be assured according to the standards and practices applicable to all Moldovan public institutions.

ANNEXES TO PROJECT FICHE

1. Annex C1a: Simplified Logical Framework

SIMPLIFIED LOGICAL FRAMEWORK

Twinning Competition - Strengthening the institutional capacities of the Competition Council to enforce the competition and state aid policy in line with the EU best practices

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
Overall Objective	The overall objective is to enhance the internal market in Moldova by facilitating the effective implementation and enforcement of Competition and State Aid policies in line with the EU-Republic of Moldova Association Agreement, relevant European acquis, the EU Integration process, and international agreements and ensure fair competition, foster market integrity, and safeguard consumer welfare in the Republic of Moldova.	<p>Progress on Enlargement Chapter 8 Competition)/ improved level of preparedness</p> <p>Baseline: Enlargement report 2023 - Moldova has some level of preparation in the area of competition policy. Limited progress was made during the reporting period</p> <p>Target: Enlargement report 2026 - Moldova has good level of preparation in the area of competition policy. Good progress was made during the reporting period</p>	Project documents Enlargement reports	Unclear responsibilities, conflicting staff assignments, high staff turnover, vacancies, overall workload; lack of sufficient information cause delays in effective preparation of activities/ STEs inputs	<p>Continuation of Moldova's path of cooperation with the EU.</p> <p>The beneficiary institution is properly staffed and provided with necessary absorption capacity to receive and benefit from the proposed actions. Development of the competition sector continues a Government priority and vested interests do not hamper reform processes.</p> <p>Human resources are reinforced to actively engage in Twinning activities and assimilate provided expertise;</p>

<p>Specific (Project) Objective(s)</p>	<p>The specific objective of the Twinning project is to strengthen the capacities of the Competition Council to enforce the competition and state aid policy in line with commitments taken by the Republic of Moldova in the framework of the EU integration process.</p>	<p>Level of compliance with the EU Acquis increased: - Number of legal acts, regulations and administrative procedures formulated / revised with EU support</p> <p>Baseline: N/A</p> <p>Target: minimum 20 legal acts, including internal regulations and state aid schemes revised with the support of the project</p>	<p>Project documents Enlargement report</p>		
<p>Mandatory results/outputs by component 1</p>	<p>Strengthened institutional and administrative capacity of the Competition Council to implement the EU acquis and best practice towards an EU-like competition authority</p>	<p>Increased level of preparedness and compliance with EU legal framework and best practices</p> <p>Baseline: N/A</p> <p>Target: competition law and state aid law fully aligned to the EU acquis;</p> <p>No. of trainings, events, study tours conducted</p> <p>Baseline: N/A</p> <p>Target: 70% of staff of the Competition Council benefited of training; minimum 1 study visit conducted.</p>	<p>Enlargement progress reports; Official journal and tables of compliance for legal acts Project documents, Training, event, study tour reports, participants satisfaction and progress evaluations Publications, event agendas and participant lists</p>		

<p style="text-align: center;">Mandatory results/outputs by component 2</p>	<p>Competition policy aligned to the EU acquis and best practices</p>	<p>Enhanced staff skills for conducting effective investigations:</p> <p>Baseline: N/A</p> <p>Target: 100 % of case handlers trained</p> <p>No. of trainings, events, study tours; conducted</p> <p>Baseline: N/A</p> <p>Target: at least 5 trainings/events conducted, 1 study visit organised</p> <p>- Increased level of harmonization with the European competition legal framework.</p> <p>Baseline: Moldovan law on competition is partially aligned to the EU acquis</p> <p>Target: Proposals for full alignment of the Moldovan Competition Law prepared</p>	<p>Enlargement progress reports;</p> <p>Official journal and tables of compliance for legal acts</p> <p>Project documents, Training, event, study tour reports, participants satisfaction and progress evaluations</p> <p>Publications, event agendas and participant lists</p>		
<p style="text-align: center;">Mandatory results/outputs by component 3</p>	<p>State aid policy aligned to the EU acquis and best practices</p>	<p>Increased level of harmonization with the European state aid legal framework (secondary legislation, state aid schemes etc.)</p>	<p>Enlargement progress reports;</p> <p>Official journal and tables of compliance for legal acts</p> <p>Project documents, Training, event, study tour reports, participants satisfaction and progress</p>		

		<p>Baseline: 80 % of state aid schemes aligned to the EU acquis</p> <p>Target: Proposals for alignment of 100 % of state aid schemes drafted</p> <p>- Enhanced staff skills for effective implementation of the state aid legislation: No. of trainings, events, study tours, internships, conducted;</p> <p>Baseline: N/A</p> <p>Target: 100% of staff dealing with state aid within CC trained; 1 study visit organised; at least 3 internships organised.</p>	<p>evaluations</p> <p>Publications, event agendas and participant lists</p>		
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