REQUEST FOR EXPRESSIONS OF INTEREST

Consulting services - “Preparation of training curricula and materials, training the trainers and training of public authorities empowered with control functions”

(MSME Competitiveness Project)

EXTENSION OF THE DEADLIE FOR SUBMISSION OF EoIs

**REPUBLIC OF MOLDOVA**

**MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES COMPETITIVENESS PROJECT**

Sector: General industry and trade sector

IDA Credit No. 71740

IBRD Loan No. 94230

Project ID No. P177895

Reference No. MD-CEP- 493241-CS-CQS

The Republic of Moldova has received financing from the World Bank toward the cost of the Micro, Small and Medium-Sized Enterprise Competitiveness Project (MSME) and intends to apply part of the proceeds for consulting services.

The consulting services (“the Services”) include the designing a training curricula and training materials with a focus on an on-going training process of inspectors empowered with control functions, and to build local training capacity, so as to support the reform by ensuring that inspectors (both existing and newly recruited) have a common foundation of knowledge and competences that match the needs of a modern, compliance-focused, risk-based inspectorate, and a common culture that supports and enables the transformation of the overall control system.

The assignment will be implemented in the period of up to nine months from the contract signature and will require an estimated effort of approximately 400 working man-days.

The Terms of Reference (TOR) for the primary procurement stage for the assignment are attached to this request for expressions of interest*.*

The Project Implementation Unit of the MSME Competitiveness Project now invites eligible local consulting firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services (required qualifications and experience of the firm, but not individual experts’ bio data).

This assignment will require a local consulting firm, or a consortium of such firms enhanced with foreign experts and inspector(s) from authorities who have demonstrated experience with a proven track record in the field of the assignment, namely:

* Has relevant competence and substantive understanding of the national context of the legal and other specific aspects related to the state control system, with proven experience of at least 5 years in carrying out consultancy related to state administration, regulation, training of public servants, and related fields.
* Track record of working effectively with the private sector and with government agencies with implementation of training assignments, developing the training curricula, training materials and delivering training sessions.
* Demonstrated ability and experienced staff with relevant legal / regulatory and technical backgrounds, understanding of risk-based inspections and first-hand prior experience with implementation of training programs, including curricula and materials elaboration. The proposed staff should be a combination of local and international trainers, the latter to cover the “best practice” aspects of the training.
* Proven capacity to design risk-based inspection frameworks.
* Demonstrated experience in designing training-of-trainers programs, preferably within the public sector.
* Has experience in the implementation of the donors’ and/or IFI’s sponsored projects.

The selection criteria are:

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| **#** | **Criteria** | **Points** |
| 1. 1 | Competence and substantive understanding of the national legal context and other specific aspects related to the state control system, with proven experience of at least 5 years in carrying out consultancy related to state administration, regulation, training of public servants, and related fields. | 35 |
| 1. 2 | Track record of working effectively with the private sector and with government agencies with implementation of training assignments, developing the training curricula, training materials and delivering training sessions. | 30 |
| 1. 3 | Demonstrated ability and experienced staff with relevant legal / regulatory and technical backgrounds, understanding of risk-based inspections and the “best practice” in the field as well as first-hand prior experience with implementation of training programs. | 25 |
| 1. 4 | Has successful prior experience in implementation of donors’ and/or IFIs’ sponsored projects | 10 |

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank’s “Procurement Regulations for IPF Borrowers” November 2020 (“Procurement Regulations”), setting forth the World Bank’s policy on conflict of interest. A Consultant will be selected in accordance with the „Consultant’s Qualification-based Selection” method set out in the Procurement Regulations.

Consultants may associate with other firms to enhance their qualifications; but they should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

The Expression of Interest shall clearly state the name of the Consultant (individual Firm, Joint Venture or sub-consultancy). The Consultant shall provide relevant references (assignment name, Client, time frame, the role of the firm (main Consultant/Partner in JV/sub-consultant, contract amount, tasks performed etc.) to confirm its experience and qualifications.

Further information can be obtained at the address below during office hours.

Expressions of interest must be delivered in a written form to the address below (in person, or by mail, or by e-mail) by **June 30**, **2025**, COB.

**Project Implementation Unit of the MSME Competitiveness Project**

**Attn. Mr. Aureliu Casian, Executive Director**

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**web:** [www.uipac.md](http://www.uipac.md)

**Terms of Reference**

**Consultancy assignment - “****Preparation of training curricula and materials, training the trainers and training of public authorities empowered with control functions”**

**(MSME Competitiveness Project)**

**A. Introduction**

The Government of the Republic of Moldova (GoM) is pursuing a policy agenda to support export-led economic growth. In this regard, an improved business environment is essential to foster sustainable private sector growth. Significant regulatory and institutional weaknesses in the business environment have been identified by the recently conducted Investment Climate Assessment as major obstacles to the private sector’s ability to perform efficiently and grow, and they also negatively affect investor confidence. The presence of cumbersome regulations undermines the competitiveness of private Moldovan enterprises and prevents increased investment by increasing the cost of doing business, and ultimately providing fertile ground for corruption, favoritism, and the informal economy.

The World Bank has been supporting the Government in its competitiveness and reform efforts through the CEP II project, which have resulted in approximately $215 million in new exports, more than 1,000 jobs, an estimated $15 million in savings to the private sector associated with the implementation of the electronic one-stop-shop for permits, as well as other reforms.

In order to sustain the results of the CEP II and other programs implemented and to support the continued implementation of reforms to improve business environment and facilitate export promotion, GoM is currently implementing a new project, the Micro, Small, Medium Enterprises (MSME) Competitiveness Project, which takes a more comprehensive approach to business competitiveness with funding from the International Development Association and the International Bank for Reconstruction and Development.

Supervision of business activities through an inspections system is a key component of a government’s regulatory apparatus. Effective and efficient supervision ensures public policy objectives, such as consumer protection and food safety, are achieved with minimum burdens on businesses. A country’s inspections system comprises all laws and regulations, institutions, strategies, operational tools, human resources, and digital solutions that support realization of its objectives. In many economies, businesses complain about the insufficient technical expertise of inspectors, lack of coordination, overlap or duplication of inspection-related activities, insufficiently transparent and predictable processes, and at times even harassment and corruption. If not properly managed, inspections become burdens on the private sector and are ineffective at achieving regulatory objectives. Moreover, inefficient or unfair inspections can create an uneven playing field. When similar businesses receive different treatment, the business receiving less favorable treatment is hampered in its ability to compete and grow[[1]](#footnote-1).

**B*.* Project Description**

The MSME’s project development objectives (PDO) are: (i) to reduce the regulatory burden, increase access to finance, increase the export competitiveness of Moldovan enterprises, and (ii) in case of an Eligible Crisis or Emergency, to respond promptly and effectively to it.

The PDO will be achieved through a set of activities that aim to: (a) digitize government-to-business services and inspections, streamline permits, and enhance national quality infrastructure to reduce the regulatory burden enterprises face; (b) support access to finance for enterprises through credit guarantees and enhance the capacity of the Credit Guarantee Fund (CGF), and (c) support the development of MSMEs and enhance their export competitiveness; d) support project management; e) support the government's response in case of an emergency.

The project consists of the following components:

***Component 1 – Regulatory reform and Digitization***. This component supports GoM in reducing the regulatory burden on businesses by further digitization both at the national and local levels, enhancing and digitizing inspection services, improving interoperability and integrated service delivery for businesses, improving the National Quality Infrastructure System, activities linked with scaling up digitization of Government-to-Business (G2B) services, enhancing and digitizing inspection services, improving interoperability and integrated service delivery for enterprises, as well as simplifying the regulatory environment to reduce regulatory burden.

***Component 2 –******Access to Finance***.This component aims to support the CGF under the Organization for Entrepreneurial Development[[2]](#footnote-2) (hereinafter ODA) in providing financial guarantees to MSMEs, to deliver more effective programs and assistance that have positive spillovers for the growth of MSMEs and export-oriented sectors to expand the business, enter new markets, start new export activities, and introduce new technologies needed for productivity gains.

***Component 3 – MSME Development and Export Competitiveness***, focusing on supporting firms through matching grants, export readiness, supplier linkages, and export promotion programs. The objectives of this component are linked with GoM’s goals of simplifying the rules for MSME operation, supporting business establishment, growth and internationalization, enabling more efficient support programs for MSMEs, as well as facilitating the inflow of investments.

***Component 4 – Contingency Emergency Response (CERC)*.** This is an unfunded contingency component that can be activated in case of a relevant emergency event. Following an eligible crisis or emergency, the Borrower may request the World Bank to reallocate Project funds to support an emergency response. Once triggered, this component will be drawn from the uncommitted loan resources under the Project to address the emergency.

The project implementation is delegated to the Project Implementation Unit (PIU), an autonomous legal entity established by the Government. The PIU will act as the “Client” for the proposed assignment and will handle contract signing and processing the payments. The contract will be implemented in collaboration with the State Control Supervision (SCS) department within the State Chancellery as Beneficiary of the assignment.

**C. Background to the assignment**

The necessity for the implementation of this assignment comes from the fact that there is insufficient institutional and staff capacity among public authorities empowered with control functions and of the State Control Supervision department at the moment, particularly theoretical and practical aspects as regards to

1. Understanding of modern approaches to regulation and regulatory inspections and enforcement in particular, including specifically:
   1. Understanding and use of “risk” as a foundation for planning and conducting inspections and enforcement activities
   2. Application of risk-based and outcomes-focused regulatory principles in practice, in particular in inspections and enforcement
   3. Specific application of risk-focused and outcomes-based approaches in the regulatory fields of different institutions
2. Applying legal provisions and procedures that form the basis for inspections and enforcement work, in particular those that have undergone reform in recent years, including:
   1. Use of the State Registry of Inspections (e-Inspections)
   2. Application of relevant provisions of the Code of Administrative Violations and Administrative Code.
3. Understanding of specific guidelines and rules to properly implement and use new tools for inspections, applying risk-focused and outcomes-based principles, specifically:
   1. General and specific rules regarding the development, approval and use of checklists for state control
   2. Designing, approving and implementing the action plans of the control body, performance indicators according to an established methodology on objectives and performance indicators foreseen by Government Decree no. 355/2020.

Indeed, there is a challenge in terms of smooth implementation of reform principles and relevant legislation, and harmonization of the internal rules and procedures applied by the inspectorates empowered with control functions.

In order to eliminate the gap between reform objectives and practice, the MSME project should develop sustainable local training capacities by training the local trainers and building training capacities in national institutions such as universities. It is envisaged that a local higher education institution, such as the Academy of Public Administration or similar, may be considered as a future training provider to develop the course and to deliver it to the government officials and other stakeholders upon successful piloting and validation of the current program.

Within this framework and due to the necessity to strengthen the institutional, human and operational capacities of public authorities empowered with control functions, which requires filling the capacity gap within key inspectorates to follow best practice and requires building sustainable training curricula for current and future civil servants, the Government is seeking the services of an experienced Consultant to assist in achieving the mentioned objectives.

**D. Goal, objectives and approach of the Assignment**

The overall ***goal of the assignment*** is to assist the Government of Moldova in designing a training curricula and training materials with a focus on an on-going training process of inspectors empowered with control functions, and to build local training capacity, so as to support the reform by ensuring that inspectors *(both existing and newly recruited)* have a common foundation of knowledge and competences that match the needs of a modern, compliance-focused, risk-based inspectorate, and a common culture that supports and enables the transformation of the overall control system.

The ***main objectives*** of the current assignment are the following:

1. Existing inspectors are “brought on board” with the reform by acquiring the necessary knowledge and skills, and acquiring a new perspective on the regulatory system’s goals and foundations.
2. Newly hired inspectors receive the necessary knowledge to properly act within the reformed system, and acquire adequate understanding of the regulatory system to ensure coherence and consistency of inspections.
3. Existing and newly recruited inspectors receive training that is centered around an outcomes-focused, risk-based vision of regulation, and specific knowledge about legal framework, information systems, procedures and processes, technical rules etc. is structured based on this “outcomes and risk” vision.
4. Training materials are developed, and training capacity is built, so that in future years similar trainings can be delivered without the same need for external support.

During the implementation of the assignment, specifically while designing ***the approach, delivery methods and materials***, the Consultant shall consider the following important aspects:

* 1. Because the training has culture change and understanding of and support for the reform as key objectives, live, face-to-face instruction will be fundamental – using training formats that foster active participation of participants rather than passive listening and rote learning.
  2. e-learning can support some of the delivery, and allow to increase the training “content density” as well as reach requiring use of the best practices in remote learning:
     + Development of high-quality material for remote, acquisition of some of the information and foundations necessary for the training.
     + Discussion and application to practical cases of this primary knowledge through a combination of remote and in-person instruments.
       - 1. Developing effective e-learning tools will take some time, therefore initial training activities are most likely to be entirely in-person but should be used as basis for further training development (recording of lectures, analysis of strong and weak points to improve organization of sessions and group activities, etc.).
         2. Combining “horizontal” and “function-specific” contents is key. At first glance, it may look easier to split the two, develop “horizontal” training contents and activities that cover only the legislation, tools (e-registry) and concepts (risk) that apply to all inspections, and leave technical, “function-specific” training be organized separately. The Consultant will be responsible for combining the two, meaning that at every step the contents and trainers should use examples from the practice, and link the issues and concepts being studied with the inspectors’ specific role and functions.
         3. Combining Moldovan and international input is essential, both in terms of contents and of trainers. International perspective and examples are crucial to provide examples of different practices, inspiration for change, new ideas – while Romanian language and local context are essential for the training materials.
         4. To make it easier and more practical, inspectors can be grouped for training in “clusters” of institutions with sufficiently close mandates and functions, so that inspectors in all participating institutions can sufficiently relate to examples from others’ fields. This has the added benefits of breaking down somewhat the institutional silos and allow some cross-learning and emulation.
         5. Training activities will target both inspectors and specialists selected as trainers for future training iterations (“train the trainers”).

**E.Tasks to be performed by the Consultant (Scope of Work)**

The Consultant will be in charge of identifying detailed training needs/ topics, based on the current ToRs (and including any additional needs identified, as applicable), for the existing and newly recruited inspectors, which will serve as a basis for the elaboration of the courses curricula and training materials to be delivered. The Consultant will be also in charge of delivering training to inspectors and staff at the State Chancellery, as well as building training capacities through demonstrative course delivery and support and guidance to identified future local trainers.

The scope of work is built around the following pillars to be reflected in the curricula and training materials:

* Understanding and applying modern principles for effective regulation, inspections and enforcement, in particular:
  + Notion of risk, risk-assessment, risk-based targeting, risk-proportionality
  + Outcomes-focused regulatory inspections and enforcement.
* Understanding and applying essential legal provisions:
  + Procedure for carrying out control under the terms of Law no. 131/2012 on state control.
  + Application of the provisions of the Code of Administrative Violations in the activity of state control over entrepreneurial activity.
  + Application of the provisions of the Administrative Code in the activity of state control over entrepreneurial activity.
* Systematically and effectively using the State Registry of Inspections (e-Inspections)
* Application of essential elements of reform, in particular:
  + General and specific rules regarding the development, approval and use of checklists applied within the framework of state control over entrepreneurial activity.
  + Establishing, approving and implementing the Action Plans of the control body.
  + Applying performance indicators according to the Methodology for establishing objectives and performance indicators of state control bodies over entrepreneurial activity, approved by Government Decree No. 355/2020.
* Other theoretical and practical aspects which might be useful.

During the preparatory phase, with the support of the World Bank CJET Project, in coordination with the Sate Chancellery SCS department, a thorough assessment of inspectors’ training needs has been conducted. The assessment identified a list of topics (refer to Annex 1), which shall be considered by the Consultant while developing the training curricula and materials.

The Consultant will perform the following tasks over the period of the contract:

1. **Preparation of Concept Paper detailing the methodology for program implementation**
   1. Elaborate program structure, the outline of the training course following the “cluster” approach and the implementation plan.
2. **Preparation of training materials and training program for inspectors (both existing and newly recruited),** **staff of the State Chancellery SCS department and public servants at large**
3. Since the main training topics have been identified, the Consultant will conduct a quick screening of the inspectorates’ needs, to identify whether there are any additional needs, particularly the “function-specific” one specific to particular inspectorates.
4. Design training materials and training program taking into consideration the requirements for (i) target audience, i.e. existing and newly recruited inspectors; (ii) combining of “horizontal” and “function-specific” contents, and (iii) the technical application through a “clusters” approach (grouping several inspectorates in a training group based on the proximity of their areas of competence). Materials and programs should be created in both “basic” and “advanced” levels to cover the needs of staff with different qualifications and experience. These materials and program should be made to be usable over the entire lifetime of the State Control strategy to ensure that the training becomes part of the routine development of inspectorates, by taking into account EU best practices, implementation timetable, course duration etc.
5. Design, using the said “clusters” approach, case studies aligned to local conditions and context. These should be designed to reflect sensitive and contradictory situations, which would require a specific approach to case solving, including but not limited to:
   * Applying best practice principles in concrete Moldovan situations, considering the current state of development of the industries being inspected, and the resources and technical limitations of the inspectorates
   * Handling contradictions in sector-specific legislation
   * Applying risk-proportional principles from Law 131/2012
   * Challenges in performance evaluation.
6. Prepare and submit to the State Chancellery training materials for inspectors, including the case studies, for comments and validation.
7. Deliver 8 (eight) training sessions designed for app. 250 participants of which 90% will be inspectors and 10% general public servants. Each session shall accommodate 25–35 participants. The people selected as future Local Trainer shall be involved in these trainings as observers.
8. **Preparation of course curricula and training of trainers**
   1. Assess the training needs for people selected as future Local Trainers.
   2. Design a training course and program for on-the-job training of trainers, by considering the training courses to be delivered in the short-run and the longer-term needs for creating the local capacity for on-going inspector’s training.
   3. Prepare and submit to the State Chancellery the curricula consisting of 40 academic hours to be taught to the Local Trainers, which may be incorporated in the training programs delivered by the Academy of Public Administration or other local higher education institution. The course curricula must comply to Moldovan academic requirements.
   4. Deliver a training course for Local Trainers, aiming that by the end of the assignment the Local Trainers should be able and qualified to deliver training using the methodology, programs and training materials developed by the Consultant.
   5. Assist and guide Local Trainers by providing feedback on improving presentation skills and techniques.

It is expected that the Consultant will base its activities, *inter alia*, on Law no. 131/2012 on State Control, Government Decree No. 355/2020 on approving the methodology for establishing objectives and performance indicators of state control bodies.

**G. Period of the Assignment and Reporting Lines**

The assignment will be implemented in the period of up to nine months from the contract signature and will require an estimated effort of approximately 400 working man-days.

The Consultant shall coordinate the reports/deliverables with the State Chancellery and PIU for MSME Project. The payments will be made by PIU based on the reports approved by the State Chancellery.

**G.** **Reporting and Deliverables**

Within the time frame of this assignment, the Consultant will be expected to develop the following deliverables:

**Under Task I**

* Elaborate program structure and the outline of the training course following the “cluster” approach.
* Implementation plan detailing any adjustments to the initial work plan, timeline and associated milestones, any adjustment to the methodology and other technical aspects to ensure smooth implementation of the contract.

**Under Task II**

* List of training courses to be elaborated for different target audiences including the additional ‘function-specific’ needs identified during consultations.
* Training programs on state control for inspectors based on identified training needs.
* Training materials by training course based on training programs designed.
* Case studies to be used during the training courses.
* Training curricula for the training courses designed.
* Training sessions delivered to at least 250 inspectors
* Report on training sessions delivered by the Consultant to inspectors, State Chancellery staff and public servants at large. Post-training evaluation, i.e. participant feedback forms and summary reports.

**Under Task III**

* List of training needed in the area of state control within key relevant staff of the Local Trainers.
* Trainer guidance pack including presentation tips, evaluation templates, and session planning tools
* Training program for the training of trainers’ course.
* Training materials for the training of trainers’ course.
* Training curricula for 40 hours, aligned to Moldovan academic requirements.
* Report on training course delivered by the Consultant to Local Trainers.
* Post-training evaluation, i.e. participant feedback forms and summary reports.

The State Chancellery will review and comment on the deliverables developed by the Consultant. Normally, it will not take more than 10 working days for the State Chancellery to review and comment on the reports.

The Consultant will be expected to submit the following reports:

**1st Progress Report** to be presented within one month after commencing the assignment following the receipt of the State Chancellery comments to the report. This report will include as component parts deliverables foreseen under Task I of the ToR.

**2nd Progress Report** to be presented within five months after commencing the assignment following the receipt of the State Chancellery comments to the report. This report will include as component parts deliverables foreseen under Task II of the ToR.

**3rd Progress Report** to be presented within nine months after commencing the assignment following the receipt of the State Chancellery comments to the report. This report will include as component parts deliverables foreseen under Task III of the ToR.

All deliverables and reports will be provided electronically and in hard copies (if required). The languages of the deliverables and reports shall be Romanian and English.

**H. Requirements for the assignment and Consultant’ qualification**

This assignment will require a local consulting firm, or a consortium of such firms enhanced with foreign experts and inspector(s) from authorities who have demonstrated experience with a proven track record in the field of the assignment.

The Consultant shall furnish documentary evidence to demonstrate that it meets the following experience requirements:

* Has relevant competence and substantive understanding of the national context of the legal and other specific aspects related to the state control system, with proven experience of at least 5 years in carrying out consultancy related to state administration, regulation, training of public servants, and related fields.
* Track record of working effectively with the private sector and with government agencies with implementation of training assignments, developing the training curricula, training materials and delivering training sessions.
* Demonstrated ability and experienced staff with relevant legal / regulatory and technical backgrounds, understanding of risk-based inspections and first-hand prior experience with implementation of training programs, including curricula and materials elaboration. The proposed staff should be a combination of local and international trainers, the latter to cover the “best practice” aspects of the training.
* Proven capacity to design risk-based inspection frameworks.
* Demonstrated experience in designing training-of-trainers programs, preferably within the public sector.
* Has experience in the implementation of the donors’ and/or IFI’s sponsored projects

**I. Terms of payment**

The Contract will be the Standard Lump-sum contract in accordance with World Bank standards. Payments will be made as follows:

1. 1st payment, in the amount of 15% of the contract - upon approval by the State Chancellery of the 1st Progress Report.
2. 2nd payment, in the amount of 50% of the contract - upon approval by the State Chancellery of the 2nd Progress Report.
3. 3rd payment, in the amount of 35% of the contract - upon approval by the State Chancellery of the 3rd Progress Report.

**ANNEX 1. Identified training topics**

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| 1. **Purpose, role, mission of inspection bodies and inspectors** |
| **Purpose of regulation: achieving effective positive results for the common good** - Purpose of regulation: achieving positive results for the common good (air, water, soil, biodiversity, climate, public and worker health, safety, and product safety) - Which of these functions is ensured by which institution? Institutional silos should not prevent us from understanding the big picture - Measure of success: are we improving the situation or at least protecting it? |
| **Role of inspections in regulatory system: ensure the outcomes are achieved** - Regulatory outcomes (clean water, safer food etc.): Improving situation where it is “worse than acceptable” and maintaining situation where it is “OK or better” - Other outcomes: if we improve environmental outcomes but strongly worsen economic, social outcomes etc. – are we achieving our goals as a state? - What inspections should NOT be about: finding and sanctioning as many violations as possible |
| **Inspector’s role in maximizing regulatory outcomes** - Contribute to the final outcome: a better environment for everyone – means, in each element of his/her job, finding ways to get the environmental situation to effectively improve What it is NOT: maximizing outputs (number of checks, number of sanctions), showing “toughness”, demonstrating rigidity |
| **Common conceptions of regulation, inspections, and inspectors – why is the proper role not “check whether rules are respected and punish if they are not”?**  - Checking compliance and issuing sanctions are some of the tasks that inspectors do – they are not the reason why inspectors do their work. (Metaphor: You do not define a baker as “someone who mixes flour with water and yeast” but as “someone who makes bread, using flour etc.”. A medical doctor is not “someone who uses a stethoscope and other implements, but a specialist who diagnoses diseases and prescribes cures. In the same way, an inspector cannot be defined by his/her tools.) - Perverse incentives: a) Maximizing quantity of controls is of course not the purpose – it is just an indicator of activity b) Maximizing detection of violations is a wrong indicator because the purpose of the regulatory system is to achieve good results c) Maximizing sanctions is also wrong because sanctions are an instrument, not a goal – and because experience and studies show that excessive sanctions can lead to reduced compliance as reaction to a system perceived as unfair. - Positive definition: Foster improvements, identify problems, promote changes of behavior, educate, incentivize, sanctions – only when they are useful to achieve the goal |
| 1. **Regulatory framework and fundamental principles of state control** |
| **The Law (in general, in the meaning of “all legislation”) is essential for the inspector of course – both as the framework of his/her work, and as his/her instrument:** - Framework: the law defines what the inspector can and cannot do – it sets limits to the inspector, at the same time as it gives him/her power. - Instrument: the law gives instruments to the inspector in order to change behavior of economic actors and individuals: a) prescribes actions that businesses/people should do (e.g. obtain a permit, install specific pollution-abatement equipment, etc.); b) Forbids activities or prescribes certain limits, certain ways or limits to activities etc.; c) Foresees possible measures / sanctions etc. that can be applied in case of non-compliance; d) Can be used to change behavior – but the purpose should be the guiding principle: will a certain enforcement measure help improve the situation or not? |
| **Key components of applicable legislation for inspectors:** - Function/sector specific legislation: environment, food safety, drinking water, water, industrial emissions, mining, construction, etc. - Horizontal legislation: Law No. 131 of 08-06-2012 on state control. Purpose: transparency, risk-proportionality, coordination, efficiency, reduced burden, greater effectiveness. Key requirements - The State Registry of Inspections: purpose: transparency, coordination etc. Usefulness for inspections (better information, better targeting, better preparation etc. – supports risk-based inspections). Key requirements - General administrative law – key provisions applicable to inspections - European law and national law: implementation of the Acquis Communautaire, relationship between national and European law, understanding the internal logic of European legislation (the preamble – giving the purpose for which the law is an instrument, strict requirements vs. areas of flexibility) |
| **Understanding the purpose of legislation: what the legislation is adopted to do should guide our interpretation of it and the way we make enforcement decisions** |
| **Dealing with conflicting legal requirements** - Understanding hierarchy of norms - Focusing on legislative goals and outcomes |
| 1. **Risk at the central focus of the inspections system** |
| **Understanding risk** - How is risk defined? (Combination of probability and severity of harm. It requires understanding which harm inspectors are trying to prevent or mitigate. Discussion of examples of risks in different inspection domains.  - Why is risk a good instrument to improve inspections planning, methods etc.? (Allows to compare different possible priorities and decide on resource allocation, allows to make level of requirements, procedures, enforcement measures etc. proportional to the risk level. Explain how a specific risk actually translates into harm (how accidents or willful non-compliances happen) allows to design the most effective possible intervention / select between different interventions - What are risk factors? (Elements that are good predictors of risk (specific characteristics of a site/object, business, person etc. which predict a higher risk), Features that impact the potential severity of harm (size, type of activity, location etc.) Specific issues, processes, material elements etc. in a particular business or site/object that can lead to an increased risk / higher probability of the risk actually becoming effective harm. |
| **Assessing risks** - Proactively and preventively – based on typology of objects - Assessing risks during inspections - Using inspection results - The importance of data of good quality and sufficiently updated – the value of sharing data across agencies and using various sources of data (incl. public data, satellite imagery, etc.) |
| **Selecting the right intervention to address risks** - Ex. 1: can a prior approval/license be effective? Yes, if the risk is linked to the initial conditions (e.g. how a structure is built) but No if the risk comes primarily from the way operations are conducted.  - Ex. 2: does the problem (e.g. frequent violations leading to serious harm) come from: ignorance? Lack of resources? In these cases, enforcement and sanctions will not help. Deliberate fraud to increase profits: in such a case, enforcement and sanctions can help. |
| **Risk-based tools: risk-based targeting, checklists, responsive enforcement, risk-based complaints management** - Risk-based targeting: developing criteria for rating inspection objects, using and improving data, allocating inspection resources based on risk - How to develop and use risk-based checklists Responsive enforcement: understanding the “compliance spectrum” and using the right response to different types of non-compliance - Managing complaints effectively based on risk – and integrating them into broader risk management |
| **D. Practical applications: working with inspections legislation and the State Register of inspections to reduce risks and achieve better outcomes** |
| Using the State Register to improve targeting and preparation of inspections: availability of data, information from other inspection bodies |
| **Using inspections legislation to foster collaborative relationships with businesses who show that they are ready to improve** - Law No. 131 of 08-06-2012 on state control has been seen by some as “against” inspections and making them weaker – but this is incorrect: it is there to foster approaches and methods that are in fact more effective - Understanding and using the compliance spectrum: many businesses can be pushed towards more compliance and better outcomes – but this will not happen through constantly hostile regulation;  - Cooperation, prevention, transparency, respectful attitude foster trust and higher compliance;  - Good risk analysis and responsive enforcement allow to identify those businesses which are not engaging in cooperation and do not deserve to be trusted, and against whom very strong enforcement is needed |
| **Group work on case studies** - Large industry – selecting an object that is both “rare” (only one or a few exist in Moldova) and very high impact if things go wrong - Small, frequently found type of object, aggregate risk significant even if the risk of one facility may be limited - Different compliance profiles: deliberately violating laws / ignorant and/or incompetent / mostly good - How to deal with new EU legislation being introduced? How to support business compliance? |
| 1. **Strategic planning risk based performance evaluation** |
| **Gradual transformation: understanding strategic planning – it is about acknowledging limitations of what can be achieved and defining realistic, achievable targets** - Overly ambitious targets that are unrealistic do not help steer work - Better have smaller but realistic targets - 100% perfect compliance everywhere is impossible in any case – and even less so in a context of transition |
| **Risk-based: identify key risks, assess, prioritize, define intervention choice etc.** - Strategic planning should be risk-based – using latest findings, data, feedback from inspectors’ experience etc. - It should prioritize the most important risks but also those where there is a realistic pathway to success |
| **Performance assessment: are we reaching the outcomes?**  - Essential to have agency-level indicators which correspond to intended outcomes in terms of public welfare - Individual performance assessment is more difficult to align directly with outcomes (one individual inspector has limited influence) – though it is often possible at the level of a division / directorate etc. But it is essential that individual performance assessment be done using criteria that do not contradict the high-level objectives. For instance, individual performance cannot be assessed based on the number of inspections, or the number of sanctions, etc. |

1. Source: The World Bank Group “Approaches-to-Integrated-Inspections-Reforms” <https://documents1.worldbank.org/curated/en/241181642994791561/pdf/Approaches-to-Integrated-Inspections-Reforms-Based-on-Selected-Case-Studies.pdf> [↑](#footnote-ref-1)
2. Public institution under the Ministry of Economic Development and Digitalization with the mission to support the development of the entrepreneurial environment, including small and medium enterprises. [↑](#footnote-ref-2)