

"Governance and Democracy in Moldova" is a bi-weekly journal produced by the Association for Participatory Democracy ADEPT, which tackles the quality of governance and reflects the evolution of political and democratic processes in the Republic of Moldova. The publication is issued with financial support from the Ministry of Foreign Affairs of the United Kingdom of the Netherlands, in framework of the project "Promoting Good Governance through Monitoring". Opinions expressed in the published articles do not necessarily represent also the point of view of the sponsor. The responsibility for the veracity of statements rests solely with the articles' authors.

CONTENTS

I. ACTIVITY OF PUBLIC INSTITUTIONS.....	3
PARLIAMENT	3
1. Events of major importance	3
<i>Setting the date for general local elections</i>	3
<i>Budgetary-fiscal laws for 2011</i>	3
2. Legislative acts	3
<i>Law amending the Electoral Code.</i>	3
<i>Law on amending the Law on licensing of entrepreneurial activity.</i>	3
<i>Decision to complete the Parliamentary Decision on commemorative days, public holidays and free days</i>	3
GOVERNMENT	4
1. Events of major importance:	4
<i>Prime Minister visits the ministries</i>	4
<i>Withdrawal of anti-discrimination law</i>	4
2. Appointments. Dismissals	4
3. Decisions	4
<i>The decision to approve the methodology of developing the strategic development programs of the central public administration authorities.</i>	4
<i>Decision on changing the conditions for remunerating the heads of state enterprises, with state major capital and monopolies that work on basis of regulated tariffs and prices.</i>	5
<i>Decision on approving the draft law on Primary Ethics Commission.</i>	5
<i>Decision on celebrating the 20th anniversary since the proclamation of Moldova's independence.</i>	5
<i>Decisions on allocating funds:</i>	5
3. Orders	5
4. Meetings. Decisions.....	6
<i>Situation in agriculture</i>	6
<i>Joint Decentralization Commission</i>	6
<i>Meeting of the National Committee on Oversight over the Police Reform</i>	6
PRESIDENCY	7
1. Decrees.....	7
<i>Twinning Project launched</i>	7
II. ECONOMIC POLICIES.....	8
1. Labour market.....	8
<i>Unemployment continues to grow</i>	8
2. Financial-banking system	8
<i>Interest rates at historical minimum...</i>	8
3. Country's external debt	8

<i>In 2010 Moldova's external debt has increased by 9.5%, but the greatest share is on the private sector...</i>	8
III. TRANSNISTRIA.....	9
<i>Developing a new strategy for country's reintegration</i>	9
<i>Position of Russia is interpreted differently in Chisinau and Tiraspol</i>	9
<i>The economy of Transnistrian region regresses</i>	10
<i>Challenges in a row</i>	10
IV. EXTERNAL RELATIONS	11
1. European integration.....	11
<i>European Parliament prolonged the Autonomous Trade Preferences (ATP)</i>	11
<i>Visits of Moldovan officials to Brussels</i>	11
<i>European Union continues to provide advisory support to the Republic of Moldova</i>	12
2. Bilateral cooperation	12
<i>Republic of Moldova - Romania</i>	12
<i>Republic of Moldova - Russian Federation</i>	12
<i>Moldova - Ukraine</i>	13
IV. COMMENTS	14
EU - Moldova Forum.....	14

This edition is based on inputs from: Igor Boțan, Corneliu Gurin, Elena Prohnițchi, Iurie Gotisan

I. ACTIVITY OF PUBLIC INSTITUTIONS

PARLIAMENT

1. Events of major importance

Setting the date for general local elections

Parliament adopted the Decision whereby it set out the 5th of June 2011 as the date for general local elections.

Budgetary-fiscal laws for 2011

Parliament has adopted a package of laws establishing the bases of budgetary-financial system for 2011:

- State Budget Law;
- State social insurance budget law;
- Law on compulsory health insurance funds;
- Law on the single social compensation;
- Law amending some legislative acts (budgetary-fiscal policy).

2. Legislative acts

Law amending the Electoral Code.

The operated changes concern several main aspects:

- postponement the deadline for implementation of the electronic registry of voters by 2015;
- cancellation of the possibility to vote at domicile or residence place;
- possibility to request changes in electoral lists until one day before the election;
- exclusion of the obligation to grant free minutes of electoral advertising in local elections by local/regional broadcasters;
- exclusion of the requirement to file appeals in hierarchical order in case of appeals related to the right to vote or to the administration of elections on Election Day;

Law on amending the Law on licensing of entrepreneurial activity.

The document adopted by Parliament stipulates for the return to the duty of 360,000 lei for every table in casinos opened in Moldova. Also, the law adopted by MPs proposes to remove the consequences produced by applying the previous law, declared as unconstitutional. Thus, the operated change will be applied from the time when the previous law was published and entered into force - on 10 August 2010.

ADEPT Note: That amendment is intended to impose the law subjects that have relied on the previous law to repair the damage caused to the state budget by failure to provide revenues of about 5.6 million lei. These changes may be considered as retroactive application of law and for this reason they may be regarded as unconstitutional if the entitled subjects would notify the Constitutional Court.

Decision to complete the Parliamentary Decision on commemorative days, public holidays and free days.

April 28 is declared the Commemorative Day of injured employees or the ones who died at work. According to statistics, annually in the Republic of Moldova about 500-600 employees are injured, of which 30-40 people are fatally injured.

GOVERNMENT

1. Events of major importance:

Prime Minister visits the ministries

The Prime Minister has initiated a number of visits to the ministries in which they analyze the results of activities, implemented reforms and implementation of measures stipulated in the Governmental Programme. The first visits were made to:

- Ministry of Health
- Ministry of Youth and Sports.

Withdrawal of anti-discrimination law

The government has decided to withdraw from Parliament the draft law against discrimination, submitted in late February to the Parliament and which did not even start to be debated by MPs. The Government (Ministry of Justice) explains the draft was withdrawn because the civil society representatives have presented conflicting views on the text, the media debates were initiated and because discrimination issue is a sensitive one. The Executive plans to accomplish "further consideration of the draft law, according to the good practices in this field."

ADEPT Note: The adoption of antidiscrimination legislation and implementation of some measures in this area are the priorities set in the Action Plan on visa liberalization with the EU, and its rejection would be able to have negative repercussions for assessing progress in implementing this Plan.

2. Appointments. Dismissals

- Vasile Grama was dismissed from the office of Director General of the Cadastre and Land Agency;
- Anatolie Ghilaș, Member of Parliament (PDM) is appointed as Director General of the Cadastre and Land Agency;
- Constantin Sula was dismissed from the position of Deputy Director of the Centre for Combating Economic Crimes and Corruption, based on his resignation motion;
- Gheorghe Susarenco was dismissed from the position of Deputy Minister of Justice.

3. Decisions

The decision to approve the methodology of developing the strategic development programs of the central public administration authorities.

Authorities of central public administration are going to create planning groups responsible for drafting strategic development programs of the Authority and by the end of 2011 they shall develop, in accordance with the Methodology, their own strategic development programs for the years 2012-2014, which shall be considered at the board of respective authority and approved by its leader. State Chancellery will coordinate the preparation process of the strategic development programs for the years 2012-2014 by the central public administration authorities, assuring a high quality level of those documents and the observance of deadlines set and will develop an action plan for the year 2011, setting the terms for organizing the necessary training events and developing stage by stage the strategic development programs, will provide the necessary methodological support to central authorities.

Decision on changing the conditions for remunerating the heads of state enterprises, with state major capital and monopolies that work on basis of regulated tariffs and prices.

It was decided to set the office salaries for heads of these units within a range of 4-8 multiplicity coefficient in a multiple quantum of the minimum guaranteed quantum of the salary in the real sector; to limit the head's office salary to the salary of the leaders of ministries; to set the bonus for high efficiency and labor intensity of up to 50% of the office salary only for the heads of those units that work with profit; to set that bonuses shall be paid to the leaders only based on regulations approved by the founder or by the board of joint stock company; to pay incentive payments and single bonuses only with the consent and decision of the founder of the state enterprise or the joint stock company board.

Decision on approving the draft law on Primary Ethics Commission.

It proposes to approve the regulation of the Commission and its structure, as well as the staff limit composed by 26 units. The Primary Ethics Commission aims to implement the policy on conflict of interest and declaration of income and property of officials, judges, prosecutors and civil servants.

Decision on celebrating the 20th anniversary since the proclamation of Moldova's independence.

It established the State Commission for organizing the relevant events and approved the National Action Plan devoted to the celebration of 20 years since the independence of Moldova.

Decisions on allocating funds:

- State Chancellery is allocated from the reserve fund of Government 765,055 lei to cover the expenses for the official visit of Mr Joseph Biden, U.S. Vice-President;
- local authorities are allocated with funds in amount of 23,021,100 lei in order to provide single allowance for the construction of an individual house or a cooperative house, or for purchasing of housing, or restoring old houses for some categories of citizens who have obtained letters of guarantee to receive soft loans during the years 2005-2008, but did not get those credits;
- Government of Japan is allocated as humanitarian aid with USD equivalent of 1 million MDL.

3. Orders

- Ministry of Interior was tasked to inform the Government about the way of issuing and using special driver licenses;
- Ministry of Justice, Ministry of Interior, Ministry of Health, Ministry of Labour and Social Protection, Ministry of Education and other relevant bodies shall develop and report on action taken concerning the events of April 7, 2009;
- Ministry of Economy was requested to present an analysis prices issue;
- Ministry of Communications and Information Technology will present a draft normative act regulating the way of setting and approving the taxes for works and services provided for processing the identity documents.

4. Meetings. Decisions

Situation in agriculture

Prime Minister convened a meeting with representatives of several agricultural associations, including: Republican Union of Agricultural Producers "UniAgroProtect", Union of Wine Producers and Exporters, Association of Fruit Growers, AGROINFORM Federation, National Farmers Federation of Moldova. The information presented during the meeting was about the situation in agriculture and about immediate priorities. Representatives of farmers' associations said that the permanent dialogue with the Government, the actions aimed at unlocking the accounts of economic entities in this industry, liberalization of export and returning to subsidies for phytosanitary products were beneficial for farmers. They noted the need for continuing the revival of agriculture, highlighting the importance of state subsidies for the perspective areas.

Joint Decentralization Commission

Prime Minister chaired the meeting of the Commission, which considered the draft National Decentralization Strategy, with several areas of intervention: decentralization of services and competences, financial decentralization, patrimonial decentralization, local development, administrative capacity, institutional capacity, democracy, ethics, human rights and gender equality. Draft Strategy is to be subject to debate in public consultations with representatives of local authorities and civil society. In this context, the Prime Minister mentioned that the consultation process should involve all local authorities to ensure a transparent, participatory process through dialogue and communication with all stakeholders. The Joint Commission's working plan for 2011 was approved at the meeting.

Meeting of the National Committee on Oversight over the Police Reform

The Committee meeting was chaired by Prime Minister Vlad Filat. At the meeting he stated that this reform is a vital for Moldovan citizens, in order to return the state institutions back to the citizens. Filat mentioned that Ministry of Interior has so far been a highly politicized institution and this factor should be excluded, and even if there will be obstacles the reforms will be accomplished to the end.

PRESIDENCY

1. Decrees

The interim President has appointed several advisers:

- Mariana Zolotco - policy and European integration adviser;
- Aurel Băieșu - legal adviser;
- Vasile Sturza - presidential adviser on reintegration;
- Vladimir Ciobanu - agribusiness and public administration adviser;
- Iurie Richicinski - defence and security adviser, Secretary of Supreme Security Council.

There still are to be appointed advisors in the following areas: social development, foreign policy, economy, culture, education and science, reintegration.

A group of people of art have been awarded honorary degrees for outstanding achievements in the development of theatrical art, successes in creative work and contribution to promoting cultural values.

Twinning Project launched

Interim President of the Republic of Moldova participated in the conference launching the twinning project "Support for implementation and observance of policy on competition and state aid in Moldova", organized by the National Agency for Competition Protection (NACP). Marian Lupu stressed that launching the project is particularly important in the context of initiating the negotiations on establishing Deep and Comprehensive Free Trade Zone between Moldova and the EU, creating necessary prerequisites for sustainable economic development.

II. ECONOMIC POLICIES

1. Labour market

Unemployment continues to grow ...

For 2010, the national unemployment rate registered the value of 7.4%, increasing by 1% comparative to 2009. There also were significant differences between the men - 9,1% and women - 5.7% unemployment rate. According to [NBS](#) in 2010 the economically active population was about 1.235 million persons, less than in previous year by 2.4%. This decrease is due to decrease by 41 thousand in the number of employed persons. Employed persons amounted to 1.143 million, decreasing by 3.5% compared to 2009. According to the source, according to the level of education 45% are people with secondary general and vocational education, 23 are people with higher education. People with specialized secondary education and those with secondary education have been close to 15.8% share and 15.6%, respectively. Among employed persons with higher education three of the four work in urban areas, and more than half (55.4%) are women. The presented information was obtained from quarterly surveys accomplished in 2010 on quarterly sampling of 12,000. Estimators for 2010 were calculated as annual average based on four quarters, the response rate being 93.6%.

2. Financial-banking system

Interest rates at historical minimum...

According to the NBM in the early months of 2011 the weighted average interest rate for new loans in national currency amounted to around 14.5%, being a new historical minimum. In February, for example, new loans in MDL worth about 910 million lei were contracted with the interest rate of 14.53%, by about 52% more than in January 2011. The volume of loans contracted in foreign currency in February 2011 was the equivalent of 950 million MDL, by 36% more than in January this year. In early February, the National Bank governor, Dorin Dragutanu, stated that the volume of new loans is increasing due to high levels of liquidity in the system and due to the increased volume of new attracted deposits. NBM data show that the volume of new deposits attracted in February was about 33.64 billion lei, by 5% more than in January.

3. Country's external debt

In 2010 Moldova's external debt has increased by 9.5%, but the greatest share is on the private sector...

According to NBM data, at the end of 2010 Moldova's foreign debt reached about 4.78 billion dollars (about 83% of GDP), which is 9.5% higher than that recorded at the beginning of 2010. About 23% of this debt is on the government sector, which accounted to USD 1.116 billion, the largest share being on the private or nongovernmental sector. Data provided by NBM show that the largest increases in external debt of the Republic of Moldova took place in 2005, 2006, 2007 and 2008. In 2005, external debt increased by 10.43% compared to 2004, in 2006 - with additional 21.4% compared to the level registered in 2005, a record increase rate was registered in 2007 - by 32.6%, and in 2008 - the external debt increased by additional 22.37% compared to that of 2007. Finance Minister Veaceslav Negruta, repeatedly mentioned that financial injections in Moldova, in the form of grant or loan, have a multiplier role and ultimately determines the economic growth. "Due to external financial support, the economy is able to cope, to carry out a policy of adequate social protection and to ensure economic growth."

III. TRANSNISTRIA

Developing a new strategy for country's reintegration

On 28 March 2011, under the chairmanship of Prime Minister Vlad Filat, took place the first meeting of the Governmental Commission for Reintegration, established by Governmental Decision no. 132 of March 4, 2011. During the meeting it was decided to develop a strategy for reintegration of the country. According to the Deputy Prime Minister for Reintegration, Eugen Carpov, reintegration of the country shall be accomplished on the basis and within the current legal framework and international standards. Basic settlement principles are as follows:

- Transnistrian conflict settlement may take place exclusively by peaceful means, through an open, transparent negotiation process, within the existing format "5+2";
- Moldovan Government will continue to implement the confidence building measures between the two banks of Nistru river, accomplished with political and financial support from international partners. Within the reintegration process the central authorities should provide to implement effective sectoral policies. The implemented projects will be designed to get the population from both banks closer, to open the society in Transnistrian region towards cooperation with institutions on the right bank of Nistru;
- to make use of the favourable international conjuncture, characterized by increased interest and commitment of external partners involved.

According to Prime Minister Vlad Filat - "Reintegration of the country is and will be a vitally important goal of Moldovan Government. We will intensify efforts to find a viable and lasting solution to the Transnistrian conflict based on respect for sovereignty and territorial integrity of Moldova within internationally recognized borders." In this context, the Commission decided that within each ministry and central public authority a deputy minister, deputy director should and working group established to ensure the achievement of objectives set out in the settlement of Transnistrian conflict in their area of activity, continuity of actions and keep the proper archive folder. These groups shall also examine the documents signed earlier in the Transnistrian settlement process and, according to their competences, to submit their views on their up-to-datedness, as well as sectoral proposals for the draft Reintegration Strategy, in the areas for which they are responsible. (*According to MOLDPRES*)

Position of Russia is interpreted differently in Chisinau and Tiraspol

On March 28, 2011 the Minister of Foreign Affairs and European Integration of Moldova, Iurie Leanca, had a meeting in Moscow with Russian Foreign Minister, Sergey Lavrov. During the meeting, Sergey Lavrov reiterated that Russia stands for solving the Transnistrian problem by providing a special status to this region, the resumption of official negotiations in the "5+2" format, reformatting the peacekeeping operation in the region, evacuation and destruction of expired Russian ammunition. According to Sergey Lavrov, it has to be thought on possible ways to adapt a possible international presence to the tasks to be derived from specific settlement plans, because they will provide for more complex tasks and not only for maintaining peace between the parties in this region. On the other hand, Transnistrian leader Igor Smirnov said that Russia's position remains unchanged and "is based on the Declaration of 18 March 2009 made by Presidents Dmitry Medvedev, Vladimir Voronin and Igor Smirnov." According to Smirnov, none of the more than 80 documents signed during the Transnistrian settlement process does contain references to the settlement of the problem based on the territorial integrity of Moldova. In the same vein, the head of Tiraspol diplomacy, Vladimir Yastrebnichak, mentioned that attempts

to predetermine the model of conflict resolution before the two sides reach common ground in this regard undermines the principle of equal parties. From this point of view, the position of Transnistria is unequivocal - independence from Moldova, the position that was confirmed by the referendum in September 2006. Regarding the transformation of the peacekeeping operation, Yastrebchak said the order of events must be different - first the final settlement and only then the modification of operation. The evacuation of Russian ammunition from depot in Colbasna must be carried out within the context of the settlement.

The economy of Transnistrian region regresses

In the first two months of 2011 the economic situation in Transnistrian region worsened. In particular, the industrial output fell by about 15% over the same period of last year. The decrease is due to the problems the Transnistrian economic giants are facing with - Rybnitsa Metallurgical Plant (RMP) and the cement plant in the same locality. According to official statistics in the region, the RMP production became unprofitable after the unleashed financial-economic crisis two years ago. The aid offered by Tiraspol administration to keep RMP afloat - lending USD 30 million i.e. over 70% of total loans - could not save the situation, and the solution for further activity of RMP shall be decided by its shareholders and owners. RMP problems worsen also due to the wear equipment, lack of resources for its modernization. In this context, the Transnistrian administration tries to get rid of assets that still can be attractive for privatization, by adopting the de-nationalization and privatization programme for 2011-2012. According to the programme, the privatization list includes 21 state enterprises worth ~ USD 1.5 million. A major problem for the economy of Transnistria is that after the privatization program launched in 2002, when about 150 enterprises were sold for about 120 million USD, more than half of new owners did not honour their obligations under the investment program. (*According to INFOTAG*)

Challenges in a row

On 24 March 2011 Moldovan delegation in the Joint Control Commission (JCC) has expressed concern about increasing Transnistrian military presence in the security zone and about the lack of transparency in this matter. Transnistrian side accomplishes military applications in security zone, "mobilizing action to fulfill the task of resisting the Republic of Moldova - designated enemy of Transnistria." Also under this context comes the detention on 27 March 2011 of two employees of local housing service in Corjova for the fact that they installed in the village centre gaming equipment for children. In Corjova such conflicts occur quite often because of the dispute that this locality would belong to the town Dubasari, which is under jurisdiction of Transnistrian separatist administration.

IV. EXTERNAL RELATIONS

1. European integration

European Parliament prolonged the Autonomous Trade Preferences (ATP)

On 25 March, European Parliament passed [the decision](#) of European Commission on extending for Moldova the period of taking advantage of Autonomous Trade Preferences (ATP) for another three years (from December 2012 until 2015) and on increasing the quota for some Moldovan products exported to the EU (wine, wheat, corn, barley). In 2011 Moldova will export to the EU market 15 million liters of wine, and since 2012 - 24 million liters of wine, while export quota for wheat, barley and corn will rise by 2015 to 65 thousand tons of wheat, 60,000 tons of barley and 55,000 tons of corn.

ADEPT Note: For comparison, in 2010 Moldova exported to Russia 308 million liters of wine, of which over 2 million liters were detained under decision of Rospotrebnadzor on the grounds that it would not meet hygienic standards.

Visits of Moldovan officials to Brussels

In the second half of March, Brussels became a destination for a number of Moldovan officials that shows a continuing dynamism of the political dialogue between Moldova and European Union. The first official, who paid a visit to Brussels, heading a parliamentary delegation, representing all parliamentary groups, was Marian Lupu, Chairman of Parliament and the country's interim President. In Brussels, Marian Lupu met with Herman Van Rompuy, President of the European Council, Jerzy Buzek, European Parliament President Miguel Angel Martinez, Vice President of the European Parliament, Stefan Fule, Commissioner for Enlargement and European Neighbourhood Policy, Dacian Ciolos, Commissioner for Agriculture and Rural Development and Monica Macovei, co-Chairperson of European Parliament Delegation to the EU - Moldova Parliamentary Cooperation Committee. One of the issues raised during the discussions was the political situation in Moldova and the perspectives to elect the head of state. According to European officials, the failure of presidential elections and possible early elections will reduce the confidence that the EU currently grants to Moldova. It is important for the current ruling alliance to establish relations of cooperation with the opposition, both for the presidential election, as well as for further implementation of internal reforms. At the same time, the European officials have assured that despite recent political developments in Maghreb states, the Union will continue to support the Eastern Partnership and in particular the reforms in Moldova. In this context, Marian Lupu called for support to accelerate the consideration by the EU member states of the issue of granting the mandate to European Commission to start negotiations with Moldova in order to establish Deep and Comprehensive Free Trade Zone with the EU as part of the Association Agreement.

Shortly thereafter, the Prime Minister Vlad Filat paid a working visit to Brussels, during which he also attended the summit of the European People's Party and met with Herman Van Rompuy, President of the European Council, Siim Kallas, European Commission Vice-President, European Commissioner for Transportation, Stefan Fule, European Commissioner for Enlargement and European Neighbourhood Policy, Cecilia Malmström, EU Commissioner for Home Affairs and Karel de Gucht, European Commissioner for Trade. According [to the government's press service](#), the Prime Minister has approached in talks with European officials the issues related to liberalization of visa regime, the establishment of Deep and Comprehensive Free Trade Zone with the EU (DCFTA), preparation of the Partnership and Cooperation Council meeting of May 5

2011, the EU support for reforms launched by the Government, especially those aimed at law enforcement, implementation of the "Rethink Moldova" etc. The European officials appreciated the progress made in implementing the Action Plan on the implementation of recommendations of the European Commission for establishing the Deep and Comprehensive Free Trade Zone with EU, and first progress report was submitted to the European Commission on 14 March 2011. At the same time, the European Commission expressed its support for further reforms in justice and home affairs, committing to provide in this regard 50 million euros, of which 10 million will be allocated at the end of 2011. Another topic discussed during the talks was about launching negotiations on accession of Moldova to the European Joint Aviation Area (ECAA), and the European Commission shall submit for approval by EU member states of the decision to initiate such negotiations with Moldova.

European Union continues to provide advisory support to the Republic of Moldova

At the end of March, the EU delegation in Chisinau has presented to Moldova's Prime Minister the new team of international consultants who will assist the Government in the European Union High Level Policy Advise Mission. Launched on 15 March 2010 and expected to be implemented until 15 January 2012, this project aims at providing advisory support to central ministries and institutions of central public administration in developing and implementing public policies and accelerating the economic association and integration of Moldova into the European Union. In 2011, the team of advisors will include 15 people who will advise: Prime Minister's Office, Tax Inspectorate, Ministries of Justice, Finance, Agriculture and Food Industry, Economy, Transportation, Environment, Interior, Office of Migration and Asylum, the Customs Service, CCECC, Prosecutor General, Public Procurement Agency.

In the same period another twinning project was launched ["Support for the implementation and observance of the policy on competition and state aid in Moldova"](#) , worth a million lei, financed by the European Union. Within the project the National Agency for Competition Protection (NACP) and central governmental bodies will benefit from the advice of experts from Austria, Romania and Latvia in the development and implementation of the policy on competition and state aid.

2. Bilateral cooperation

Republic of Moldova - Romania

On March 16, Foreign Affairs Minister, Iurie Leanca, paid a working visit to Bucharest, where he held talks with his Romanian counterpart Teodor Baconschi and Romanian President Traian Basescu. Following the meetings, they agreed on enhancing the cooperation between Romania and Moldova in the field of energy. In this regard, a new chapter on cooperation in the energy field will be introduced in the Grant Agreement worth 100 million euros concluded between the two states. The ministers also agreed that the joint meeting of the governments of Romania and Moldova will take place in June. The meeting will be accompanied by a bilateral economic forum to attract investments into the Moldovan economy.

Republic of Moldova - Russian Federation

Moldovan-Russian political dialogue has witnessed an increase in the second half of March, following several meetings between ministers of the two states who have tried to bring back on the bilateral agenda a number of sensitive issues related to trade and economic cooperation and the problem of Transnistrian resolution.

On 16-17 March in Moscow took place the [twelfth session of the Moldovan-Russian Intergovernmental Commission for Economic Cooperation](#). The Commission considered several sensitive issues of economic and trade cooperation between Moldova and Russia: negotiations on Free Trade Agreement within the CIS, the issue of historical debts for Russian gas, negotiation on tariff for the transit of Russian gas through Moldova, export of Moldovan agricultural and wine production to Russian market. According to Economy Minister, Valeriu Lazar, co-chairman of the Commission, following the discussions the parties have agreed: a) to delimit the historical debts for Russian gas by creating separate companies in Chisinau and Tiraspol, 2) to sign a new contract for the supply and transit of Russian gas by raising the tariff of transit through Moldova, 3) to consider the possibility to liberalize the air transportation between the two countries, 4) Moldova shall examine the possibility to provide the Cuciurgan Power Station (the owner is the Russian Inter-State Corporation RAOES) with the license to produce electricity for a period of at least 1 year, 5) to open additional customs terminals for Moldovan wine exports and to simplify the export procedure, while intensifying the quality control of exported products etc. At the same time, the Russian side asked Moldova to exclude ecological taxes from Russian exporters for the use of "tetra-pack" packaging, considering them as discriminatory in relation to local producers.

On March 29, a working visit to Moscow was also paid by Moldovan Foreign Affairs Minister, Iurie Leanca. The main issue discussed during the meeting with his Russian counterpart, Sergey Lavrov, was the settlement of Transnistrian conflict. [Sergey Lavrov supported](#) the necessity to reform the peacekeeping operation in Transnistria in a multinational civil mission with an international mandate. The Russian Foreign Affairs Minister also said that Russia advocates for the withdrawal of Russian weapons left in Transnistria, but this can not be fulfilled without the consent of Transnistrian administration, which insists on withdrawal of armament only within the settlement process. During the discussions the ministers also signed an Inter-ministerial Consultations Plan for 2011 and Humanitarian Cooperation Program for 2011-2013.

ADEPT Note: The solution for the delimitation of Moldova's debts for Russian gas between Moldova (debt of USD 350 million) and Transnistrian separatist administration (debt of USD 2 billion) has been criticized by many experts considering this measure as a first step towards political and economic separation of the separatist Transnistrian region and Moldova and a new blackmail lever against Moldova in the hands of the Russian Federation.

Moldova - Ukraine

Moldovan-Ukrainian relations continue to undergo through a tense period marked by the trade dispute between the two states - on the one hand, due to taxes charged by Moldova on products imported in plastic packaging or tetra pack (the so-called eco-duty) and on the other hand, due to high excise taxes imposed by Ukraine for Moldovan divine, both states assessing as discriminatory the measures applied by the other side. This dispute is supplemented by frequent accusations raised by the Ukrainian side against Moldovan counterparts about neglecting the previously taken commitments to transmit the road near the village of Palanca to Ukrainian party. However, in the second half of March, there are some signs of a possible recovery in relationship. Thus, as result of prior consultations between Ukraine and Moldova within the World Trade Organization (WTO), held in Geneva on March 18, Moldovan Ministry of Economy stated it was planning to exclude environmental duty. Meanwhile, in Kiev, Moldovan ambassador, Ion Stavila, had a [meeting](#) with Chairman of Ukraine Supreme Rada, Vladimir Litvin, with whom he discussed the activation of Moldovan-Ukrainian inter-parliamentary dialogue and a more active involvement of the parliaments of both countries in resolving bilateral issues.

IV. COMMENTS

EU - Moldova Forum

Igor Boțan

Capabilities to make influential external friends...

Moldovan authorities more and more frequently show that they mastered the art of making influential friends for the country they rule. This is important and necessary. The last example in this regard is the EU-Moldova Forum, held on March 29 to 31 in Chisinau. The event was organized with the participation of some specialized civic organizations in Moldova and Poland - Foreign Policy Association (EPA) of Moldova and, respectively, the Economic Forum of Poland, and the Forum's main protagonists were the prime ministers of both countries.

The event had several dimensions, somewhat distinct. The first dimension refers to proving the attachment of Moldova for European integration process and its support by the EU, in particular by Poland, which, along with Sweden, has launched the Eastern Partnership. Since Poland will hold the EU presidency in the second half of this year, the support for the process of European integration of Moldova is an opportunity to be carried out with maximum efficiency. Expectations of Moldovan authorities in this regard have been expressed by Prime Minister Vlad Filat: "By time of Polish EU Presidency, we hope to begin negotiations to sign Deep and Comprehensive Free Trade Agreement, we aim to overcome the first phase of implementing the Action Plan to liberalize the visa regime". Prime Minister Vlad Filat Premier said that Moldovan authorities are aware that EU support for Moldova will be proportional to the capacity to implement reforms, following the formula - more support for more effort.

The reaction of Polish party was expressed by Prime Minister Donald Tusk, who said that Poland will support:

- providing Moldova with full support in European integration process, especially while holding the EU presidency, so that the EU-Moldova Association Agreement to be signed until the end of this year;
- granting the Republic of Moldova with the liberalized visa regime with EU, so that till the end of this year to complete the first phase of the Action Plan on the harmonization of national legislation of the Republic of Moldova with the EU one;
- soon launching the negotiations on the creation of Free Trade Zone;
- maintaining funding for the six countries of Eastern Partnership through a motion to the European Parliament, so that the events in North Africa would not change their original target;
- reintegration process of Moldova.

Discussions at the Forum took place within framework drawn by the two prime ministers and focused on the process of reforming the law enforcement bodies, actions to be taken to create a functional economy, market liberalization, attract investment, development of energy sector etc. The conclusions reached by the participants referred to the need to develop in Moldova an economic system based on: changing the structure of the economy; de-monopolization of economy in the sectors of air transportation and telecommunications; revolutionizing the denationalization through privatizations, public-private partnerships, concessions; improving the business climate, attracting new investments; increasing the export rate over import rate; exports not of people but of goods and services; orientation of remittances towards production and not

towards consumption, etc. However, all these issues are discussed for long time in the society and even if they need to be reiterated, much more is the need of implementation capacity and coherence in actions.

Failure to ensure national consensus

Besides the consistent part of the Forum the symbolical part which started the event was also very important. Three ex-presidents – of Poland, Romania and of the Republic of Moldova - Aleksander Kwasniewski, Emil Constantinescu and Petru Lucinschi whose term of governance has coincided shared their experiences concerning the *transition* of their countries and the way they overcame the socialist legacy for the modernization through European integration. The conclusions were that the achievement of the goals by Poland and Romania – the accession to the European Union (EU) was due to many factors, but the main factor was the consensus of the political forces within these countries on the effort to join the EU. In particular, ex-president Constantinescu has invoked the importance of the Snagov Declaration from June 1995 whereby all political parties of Romania agreed to support the European integration in spite of multiple discrepancies among them.

For Moldovan audience of the Forum the testimonies of the ex-presidents Kwasniewski and Constantinescu were an occasion to recall that Moldova has also witnessed efforts undertaken to build a common ground of the political class concerning the European integration. It is about “The Declaration on political partnership for reaching the European integration objectives”, adopted unanimously on 24th of March 2004 at the first session of the 16th convocation of Parliament by all political forces represented in the legislative. It is just that in case of Moldova the invoked *political partnership* has been abusively ceased back in July 2007 and that led two years later to the political destabilization, the effects of which cannot be overcome till now.

In the context of those mentioned above, it is worthwhile stressing that leaders of key political parties, currently represented in Parliament, except for the Liberal Democratic Party of Moldova (PLDM) led by the Prime Minister Vlad Filat, have shone at the Forum by their absence. Resorting to various excuses, likewise, the leaders of the other two entities of the ruling Alliance for European Integration (AEI), as well as the leader of the opposition Party of Communists of the Republic of Moldova (PCRM), have highlighted the cohesion degree of the political class vis-à-vis the issue of European integration. As they say, in the Republic of Moldova everybody has its own European integration. By the way, this is how every Moldovan citizen is getting individually integrated into the EU. However, one may unfortunately note that the scale of an event of maximum importance for the strategically goal of the Republic of Moldova was locally diminished and being rather transformed into a PR campaign in favour of the PLDM leader Vlad Filat who was also called by the Polish Prime Minister “the positive hero of the European Union”. Anyway, the positive impact of the EU-Moldova Forum cannot be challenged even through the *de facto* absence of the political partnership for the European integration.

Conclusions

- Moldovan authorities' ability to make influential foreign friends is an absolutely necessary factor, but insufficient to accelerate the process of European integration. Yet, there is need for consensus and partnership in the political class. The consensus is somewhat present, but the partnership is completely missing, and this could embarrass Moldova's foreign supporters who speak of an unconditional support to the process of European integration.

- A revival of the political partnership for European integration is undermined by a number of factors - the rivalry between the AEI leaders; inability to find a solution to overcome the institutional crisis and establish political stability for a full governmental mandate; disagreements concerning the interpretation of the 7 April 2009 events during the so-called Twitter Revolution, its causes and the roles played by the current ruling leaders and opposition etc.
- In these circumstances, EU's support for Moldova must nevertheless be conditioned by the needed efforts of political class to overcome the institutional crisis and to establish political stability, and by promoted reforms to modernize the society in order to approach EU standards based on verifiable indicators.