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This issue is based on inputs from: Igor Botan, Corneliu Gurin, Elena Prohntichi, Iurie Gotisan

I. ACTIVITY OF PUBLIC INSTITUTIONS

PARLIAMENT

1. Legislative policies

Draft law on public monuments. The draft adopted in the first reading is part of a package of new legislative policies which will cover all cultural heritage of our country, replacing general regulations of the law on the protection of monuments, in line with international commitments assumed by joining international organisations in charge with protection of cultural heritage, ratifying conventions in the area and in accordance with modern practices in the field. The draft law introduced for the first time in the national legislation some clear definitions regarding basic notions and terminology that explain the process of building and protection of public monuments. With the purpose to prevent the building of precarious monuments, prevent the destruction, voluntary displacement, degradation or vandalism of public monuments, the draft law obliges individuals and legal entities participating in the building of public monuments to coordinate their actions with competent services of the Ministry of Culture.

2. Parliamentary control

Decision concerning the Joint Commission Report on execution of the Parliament Decision No. 160 of July 9, 2010 regarding the report by the investigation commission on dissemination of humanitarian aid and financial resources from reserve fund in connection with 2008 floods. The Parliament took notice of the report presented by the Prosecutor-General's Office and the investigation commission and extended the activity term of the commission until October 1, 2011. According to reports by prosecutor's office, 7 criminal cases have been filed up, one of them involving decision-making officials of the Agency for Material Reserves, Public Procurements and Humanitarian Assistance was sent to law court, while another six are being investigated.

3. Questions

PLDM Deputy Veaceslav Ionita asked a written response regarding the order which restricted his access to the Parliament, so that he had to wait in front of legislature till opening of central doors. Ionita says that the access to lateral doors or the control by metal detectors means an inquisition of deputy, and this is a violation of Article 70 of Constitution.

4. Statements

PLDM Deputy Valeriu Strelet released a statement concerning the *celebration of the day when the Declaration of Sovereignty of the Republic of Moldova was voted.*

PLDM Deputy Nicolae Juravschi released a statement concerning the celebration of *rebirth of the Modern Olympic Movement and World Olympic Day* on June 23.

GOVERNMENT

1. Events of major importance

The spokesman for Prime Minister, Igor Volnitchi, held a briefing as the premier opens “consultations with society”. According to Volnitchi, this decision is a response to the strained situation of society, which seriously affect the governance, as well as to tasks and responsibilities of the prime minister. The prime minister will invite civil society at consultations (via National Council for Participation), politicians, ambassadors to Moldova, representatives of trade unions, of cults, of employers, representatives of the Foreign Investors Association in Moldova, representatives of parties which are part of the ruling alliance, representatives of the parliamentary opposition, as well as of non-parliamentary parties. Talks will focus on framework of the Moldovan Government; evolution of reform process; evolution of European integration process; anti-corruption fight; social-political situation in Moldova; other issues which raise interest of dialogue partners. The prime minister opens consultations as head of the cabinet of ministers, not as political leader, and his key goal is to learn the opinion of society regarding the current situation, as well as other issues of major importance faced by Moldova. The premier is expected on July 8 to release the conclusions of consultations while publicly addressing people, as well as his official position regarding the future of his cabinet.

2. Decisions

Decisions approving some draft laws:

- Concerning the prevention and combat of organised crime;
- Concerning the state border of the Republic of Moldova;
- Concerning the civil arms and munitions;

Decision approving the national strategy concerning the prevention and combat of organised crime in 2011-2016. The strategy explains problems, sets six objectives, identifies risk factors and internal vulnerabilities, estimates the impact and afferent costs of implementation, and recommends implementation rounds and monitoring procedures.

Decision approving the nomenclature of officials in charge with classifying information as state secrets. It entrusts higher-ranking dignitaries, Government members, heads of law organs, general managers of some state enterprises and agencies, other competent organs.

Decision concerning the national action plan on implementation of structural reform in education sector. The decision was approved during an emergent sitting denied to the public, with the urgency being linked to the need to sign an information letter on commitments towards foreign funders, but it raised suspicions regarding possible staff cuts in the system.

Decision approving the action plan aimed to minimise “enveloped salaries” and illegal work. The decision aims to combat illegal employment, non-payment of social charges to state. The plan approved by Government has 7 objectives including: to strengthen sanctions for violation of labour legislation; to improve work relations; to enhance salary declaration quota; to reduce fiscal burden; to increase control measures; to foster cooperation with trade unions, etc.

Decision concerning allocation of funds from state budget for the public administration reform. Under the decision, 16,092,600 MDL will be allocated from the state budget funds foreseen for the public administration reform to cover single

indemnities for employees of some central public authorities relieved from offices after reorganisation (Special Messengers Service, Defence Ministry, Interior Ministry, Penitentiary Department of Justice Ministry, Centre for Combating Economic Crimes and Corruption).

3. Sittings. Decisions

Meeting with sugar and sugar beet producers

The sitting convoked by prime minister heard reports on situation in the area, sought to be developing, with the production being on the rise and being important in terms of exports. Representatives of the Republican Union of Associations of Agricultural Producers Uniagroprotect welcomed Government's actions in agriculture sector, stressing the rise of agricultural production and salaries, massive investments in agriculture. Representatives of the Union of Sugar Producers raised concern with the planned rise of sugar VAT from 8 up to 20 percent, fearing that this could baffle the development of this area. Given the signalled problems, the premier ordered the establishment of a working team to adopt a consolidated position in terms of VAT quotas.

Sitting with winemakers

The sitting chaired by prime minister discussed aspects of budgetary-fiscal policy, problems and solutions required in winemaking sector. Premier Vlad Filat expressed optimism that the terminal for wine exports to the Russian Federation which was recently inaugurated in Sankt-Petersburg will facilitate the activity of Moldovan winemakers on this market and Moldova's position as exporter of quality wines will be consolidated. With the purpose to facilitate the activity of winemakers, excises on wine products, wines and grape juices will be removed starting 2012. Filat indicated debts of winemakers towards vine growers, noting that some citizens who sold grapes to winemakers were not paid yet, and ordered an assessment of situation and necessary measures, so that to help farmers recover their money before the new crop.

Strategic planning committee

A governmental sitting heard reports on results of the "Rethink Moldova" programme introduced in March 2010. According to available accounts, the Moldovan Government negotiated and contracted projects worth 1.2 billion Euros until now out of 1.8 billion Euros provided by development partners, with the largest funding being directed to road infrastructure, agriculture and water supply and sewerage network, budgetary support. Committee members decided that reformation of the judiciary and implementation of the action plan on visa liberalisation with EU, education, agriculture and budgetary support will be priority areas to be covered by World Bank and EU funds in 2012-2014.

PRESIDENCY

1. Decrees

Under a presidential decree, the special major-general ranking was awarded to Viorel Chetragu, director of the Centre for Combating Economic Crimes and Corruption.

Interim president signed decrees to award the Labour Glory Order to:

- Pavel Bodarev, director-general of the limited society Moldauditing;
- Ion Talambuta, professor at the Music College Stefan Neaga;
- Elena Ciobanu, director-general of the joint stock society Aeroport Catering.

2. Sittings. Statements

Sitting of national council for law enforcement reform

Interim president chaired a sitting of the national council for law enforcement reform, which heard reports by reform-covered institutions: Ministry of Justice, Superior Council of Magistracy, Prosecutor-General's Office, Interior Ministry and Centre for Combating Economic Crimes and Corruption. The sitting brought together representatives of diplomatic missions and international organisations to Moldova. The next sitting is expected to discuss the process of reformation and optimisation of the judiciary, with the Justice Ministry being set to table a draft judiciary reformation strategy, so that to deliver it to the Parliament in order to adopt it by October 2011. If it respects the action plan, Moldova could enjoy a 60-million-euro support starting next year to reform law enforcement organs.

The interim chief of state convoked officials of the Emergency Situations Service, Hidrometeo and Ministry of Economy, hearing reports concerning consequences of natural disasters and actions taken to redress the situation after heavy rains and storms. Officials from the Ministry of Economy assured that they are doing their best to reconnect about 10 localities to electricity networks. Marian Lupu instructed competent authorities to remedy consequences of heavy rains and storms as soon as possible and to inform him regarding the taken actions with regularity.

Comments on arrest of Russian blogger

Moldova's interim president commented the arrest of Russian citizen Eduard Bagirov, giving green light to repeat demands by journalists. Marian Lupu said that the arrest of Bagirov rests with the exclusive competence of law bodies and any comments made before establishing the circumstances are inappropriate. Lupu stressed that those in charge with investigating the case carry a maximal responsibility and must report the reasons of this arrest within legal terms, as soon as possible, in order to prevent any speculations and to avoid inciting spirits.

Amnesty request

Marian Lupu submitted an official appeal to the Justice Ministry to work out a draft law on amnesty, on occasion of the 20th anniversary of independence of the Republic of Moldova. Guided by humanism principles, the interim chief of state says that a law on amnesty would be welcome, as similar laws were adopted on the 5th and 10th anniversaries of independence of the Republic of Moldova. A special attention will be granted to attenuation of sanctions received by pregnant convicts and female inmates who have children or look after invalids, old or disabled female inmates, as well as other categories of female convicts who deserve a shortened jail terms; they will be selected among all categories of convicts liable to amnesty. Once worked out, the draft law on amnesty will be delivered to the Parliament in order to examine it.

II. ECONOMIC POLICIES

1. Expenses and incomes

Moldovans spend more than 40 percent of consumer basket on foodstuffs ...

NBS accounts reveal that available monthly incomes of population in the 1st quarter of 2011 amounted to 1,352 Moldovan lei (MDL) (116 dollars) on average per person, by over 10 percent more than in the similar period of 2010. However, average monthly consumption-related expenses of population exceeded available incomes in the period concerned, up to over 1,420 MDL (122 dollars) per person, and increased by over 7 percent. Thus, people spend more than earn. Even more, about 70 percent of expenses go to foodstuffs, household services and clothes.

Salaries are the No.1 earning, about 49 percent of overall available incomes. Incomes from social indemnities contributed with 16.5 percent to earnings of households. Remittances from other countries are so far an important income source of households, completing earnings by about 15 percent, or by nearly 4 percent less than in the 1st quarter of 2010.

Most of expenses – about 43 percent - went to food needs. Expenses for household services amounted to about 17 percent on average per person, and expenses for clothes and footwear amounted to 10 percent. Other expenses went to healthcare (more than 6 percent), transport (more than 6 percent), communications (4.6 percent), household appliances (3.2 percent), and education (1.2 percent). Urban population spent by about 662 MDL or 62 percent more than rural population. On the other hand, monthly consumption-related spending of urban population amounted to 1,717 MDL per person, by 515 MDL or 1.4-fold more than expenses of rural population.

Average incomes in Moldova do not cover minimum consumer basket...

Statistics also reveal that the minimum consumer basket¹ in the 1st quarter of 2011 was worth 1,471 MDL (126 dollars) on average per person, by about 10 percent more than in the 1st quarter of 2010. The maximum consumer basket was recorded for population able to work – 1,551 MDL (133 dollars), especially men – 1,631 (about 140 dollars). The minimum consumer basket for retirees was worth 1,275 MDL (more than 109 dollars), which is nearly 87 percent of the average value per total population. The minimum consumer basket for children was worth 1,359 MDL (116.5 dollars) on average, but this indicator depended on the age of the child, from 578 MDL per baby under 1 year old up to 1,500 MDL per child who is 7-16 years old. It was mentioned above that available incomes of population in the 1st quarter of 2011 amounted to 1,352 MDL on average per person. The proportion between average available monthly incomes per person and minimum consumer basket was about 92 percent. Therefore, medium incomes in Moldova do not cover the minimum consumer basket.

The medium salary on economy accounted for about 2,902 MDL in the 1st quarter of 2011, by 9.5 percent more than in the similar period of 2010. The proportion between medium monthly wage and minimum consumer basket for population able to work depended on activities of national economy. The maximum coverage of minimum consumer basket for population able to work was reached by salaries of employees in financial sector – 3.7-fold, while the minimum level was recorded for wages of employees in fishing sector,

¹ The minimum consumer basket is calculated accordingly to the Regulation concerning the calculation of the minimum consumer basket, approved under Moldovan Government Decision No. 902 of August 28, 2000.

which covered about 92 percent of the basket. The medium monthly pension set on April 1, 2011 was about 878 MDL, by over 12 percent more than in the similar period of 2010, and covered only 68 percent of the minimum consumer basket for this category of population.

2. External debt

Groundless speculations...

According to data provided by the National Bank of Moldova, Moldova's external debt amounted to about 4.9 billion dollars on April 1, 2011, by over 12 percent more than early this year. Thus, the overall external debt accounted for about 82 percent of GDP, which was worth 5.8 billion dollars in 2010. It seems to be relatively good, despite speculations on this issue. More than 23 percent of the external debt belongs to the governmental sector. Despite the relative rise in 2009 and 2010 (indeed an absolutely normal dynamic following credits provided by foreign funders), it accounts for 1,137 billion dollars at present. More than 46 percent of the external debt comes from economic agents working in other sectors, more than 23 percent comes from governmental sector, and 4.2 percent from NBM, 8.5 percent from certified banks, and 17.6 percent represent commitments towards foreign investors.

NBM data reveal that Moldova's external debt increased the most in 2005, 2006, 2007 and 2008. It increased by more than 10 percent in 2005, compared with 2004, by another 21 percent in 2006, compared with 2005, and reached a record rise by more than 32 percent in 2007, and by over 22 percent in 2008, compared with 2007. Therefore, speculations that not even our grandchildren will be able to pay off the debts are senseless. Even more, the overall external debt is now comparable with the amount recorded in late 2009, and even less. In addition, all payments for the external debt were honoured towards foreign creditors in the period concerned.

3. Foreign direct investments

Foreign investments are on the rise on background of economic crisis...

Foreign direct investments (FDI) in Moldovan economy turned over 101 million dollars in the 1st quarter of 2011, and increased almost 1.5-fold compared with the similar period of last year (about 69 million dollars in 2010). According to the central bank, investments in statutory capital of enterprises increased by more than 26 percent in the period concerned, compared with the similar period of 2010, from 27.8 million dollars up to over 35 million dollars. At the same time, the net revenue from own capitals of shareholders (given the capital outflow) increased by about 36 percent. Reinvested revenue of non-residents increased nearly six fold, from 4.5 million dollars up to about 27 million dollars, and credits got by branches from mother societies rose by about 12 percent, from 34.2 million dollars up to 38.2 million dollars.

III. TRANSNISTRIA

Expected resumption of „5+2” negotiations does not come true

Moscow hosted on June 21, 2011 a new round of informal consultations of the permanent meeting for political affairs in the framework of the „5+2” Transnistrian settlement negotiation process. The Moscow meeting was expected to reopen the official „5+2” negotiations after a five-year break, but nothing happened. The Transnistrian diplomacy released a statement on the eve of the meeting to prevent participants not to expect great results. Thus, representatives of Transnistria anticipated the failed meeting, arguing that Chisinau is to blame because it did not take practical measures to consolidate the results of the precedent round of consultations:

- Protracted the resolution of the railway problem;
- Blocked agreements on activity of expert groups;
- Refused to attend the meeting of guarantors in Odessa;
- Was hysterical at the reception organised by the Russian Embassy to Moldova, as the representative of Transnistria was introduced as “diplomacy head”;
- Organised incidents in the Security Zone etc.

In the same framework, representatives of Transnistria argued that the „5+2” format cannot be officialised because Chisinau did not change attitude towards the conflict settlement process, turning down any official initiative by Tiraspol concerning the guarantee systems, and the draft agreement on friendship and cooperation. As well, Tiraspol claims that Chisinau does not warm the approach by Russia and Ukraine, which say that the conflict resolution should be based on an equal footing of the parties involved, and the opinion of the sides should be taken into account, so that the parties should further agree on the settlement format.

Russian Foreign Minister Sergei Lavrov stated after the failed consultations that Russia considers that the process of political settlement of the Transnistrian conflict must restart. According to Minister Lavrov, both Chisinau and Tiraspol shall drop off extreme positions with the view to resume the official negotiations, so that to find “a special status for Transnistria.” He stressed that “the independence of Transnistria cannot be recognised.” “The truth is somewhere in the middle. One thing is absolutely clear: no international institution backs the idea of independence for Transnistria. There is no support for the idea that Moldova must be a unitary state.” On the other hand, the Reintegration Office of the Moldovan Government reported that the Moscow meeting focussed on perspectives of the negotiation process, with Moldova strongly calling for the “unconditional resumption of the official „5+2” negotiations. The Moldovan delegation insisted at the Moscow meeting that “working out a special legal status for the Transnistrian region by respecting the sovereignty and territorial integrity of the Republic of Moldova within the internationally recognised borders is the key objective of the official negotiation process.” All international partners involved in the settlement process – Russia, Ukraine, the OSCE, the European Union and the United States – back this approach, and they agreed to suspend the Moscow round, in order to hold supplementary consultations with the view to resume the talks in a near future.

Constitutional amendments and re-election of Smirnov

On June 29, 2011 the Supreme Soviet of Transnistria adopted in the final reading the draft law on modification and completion of constitution. Under the amendments, the region will introduce the institution of cabinet of ministers and the function of prime minister. The amendments limit the number of mandates of chief of state to two. A series of amendments on functioning of local public administration and electoral system were

cancelled in the final reading, as the Supreme Soviet and Smirnov's administration failed any compromise. The clause which limits the number of presidential mandates will be enforced in future, with Igor Smirnov being able to run for the 5th mandate at the December-scheduled elections. Attempts to make Smirnov run for elections did not succeed so far. In these circumstances, the former head of the Supreme Soviet of Transnistria, Yevgeni Shevchyuc criticised what he described as poor activity of president Smirnov. The news agency INFOTAG quoted Shevchyuk as saying in an interview with the Russian newspaper Sobesednik that Smirnov and his team are to blame for the disastrous condition of Transnistria, adding that they should be replaced. He stressed that Transnistria went bankrupt, managing to survive due to the coverage of budgetary deficit from foreign sources. He stressed that more than 90 percent of state estates were privatised under Smirnov's rule, and only 25-27 percent of privatised businesses are operational but do not use all capacity. Statistics reveal that the industrial production made in Transnistria covered only 71 percent in January-March 2011 of what was manufactured in the similar period of 2010. The most serious decline was recorded in Ribnita (by about 87 percent) as the Metallurgical Plant there which formerly manufactured approximately half of industrial production and covered about 70 percent of exports is not operational. Now half of industrial production of the region is manufactured by electricity, light and food industries.

IV. FOREIGN RELATIONS

1. European integration

Republic of Moldova gets mandate to negotiate liberalisation of air transportation with EU

The European Union Transport Council [gave green light](#) to the European Commission on June 16 to open negotiations with Moldova regarding the signing of a common aviation agreement with EU. The agreement aims at mutually opening the respective markets and gradually harmonise the national regulatory framework. Prime Minister Vlad Filat expressed optimism that negotiations and signing of the agreement will be completed by the end of 2011.

Strategy for Danube Region adopted

On June 24 the European Council adopted the [Strategy for the Danube Region \(SDR\)](#), a macroregional cooperation project aimed to contribute to economic, social, cultural development and to preserve the environment in the Danube Region, which will cover 14 states (EU members and non-members) including Moldova. The strategy is accompanied by an action plan which establishes four objectives:

- Connecting the Danube Region;
- Protecting the environment in the Danube Region;
- Building prosperity in the Danube Region;
- Strengthening the Danube Region.

Actions and regional cooperation projects to be implemented as part of the [Action Plan](#) will focus on 11 areas. Riparian countries will coordinate cooperation in the areas of priority actions. Moldova along with Austria will coordinate the area related to investment in people and competences.

The strategy does not stipulate any supplementary funds, but the use of existing funds of at least 100 billion Euros provided within the EU cohesion policy.

... and Danube Civil Society Forum opens

Eisenstadt/Kismarton, Austria, hosted on June 30 the first [Danube Civil Society Forum](#), which wants to be a platform for dialogue and structural consultations between civil society, public authorities and private companies within the EU Strategy for the Danube Region.

The forum aims to promote and enhance civil society participation and networking in the framework of the EU Strategy for the Danube Region. Membership in the Forum is open to all NGOs who work in the Danube Region, have a track record of competence and experience and are able to contribute to implementation of projects in the framework of the 11 priority areas covered by SDR Action Plan.

2. Bilateral cooperation

Republic of Moldova - Ukraine

Following long bilateral consultations and contradictory statements, the [Act of determining and fixing the boundaries on the ground plot highway Odessa-Reny highway near the Moldovan locality of Palanca](#) was signed in Chisinau on June 30, 2011 to close up the Palanca case in bilateral relations. According to the act, the Odessa-Reni highway sector near Palanca, as well as the Moldovan field crossed by this highway were transferred to Ukraine. Ukraine will exploit and maintain the highway and all necessary facilities in the ceded area. Moldova maintains its right to use free of charge the highway area concerned.

In addition to transmitted part will not be the border, customs and other controls, which are usually carried out at crossing the state border. Palanca residents retain the inalienable right to freely use more than 900 hectares of Moldovan land situated on the opposite side of the highway.

According to the [Ministry for Foreign Affairs and European Integration](#), this decision was made after the 41st sitting of the Moldovan-Ukrainian demarcation commission held on June 14-15, 2011, which established and approved the locations of border signs in the Palanca area. At the same time, Minister for Foreign Affairs and European Integration Iurie Leanca said that Ukrainian authorities have constantly pressed Moldova to cede the area near Palanca village, inclusively by obliging Moldovan citizens to hold 1,200 dollars while crossing the Ukrainian territory.

The European Union welcomed the signing of the act in a [declaration](#) by the EU high representative for foreign policy and European commissioner for enlargement, Štefan Füle, who described this step as capable to give an impulse to relations between Moldova and Ukraine and to strengthen regional stability. On the other hand, Palanca residents protested against this act, being revolted that the area was ceded without consulting them beforehand.

2. Multilateral cooperation

Republic of Moldova - NATO

Chisinau hosted on June 16-17, 2011 the Meeting of the Euro-Atlantic Partnership Council in the format of the Atlantic Policy Advisory Group (EAPC/APAG). The APAG meeting included three working sittings which focussed on:

- Democratic reform processes in the eastern neighbourhood of NATO and role of partnerships;
- Security in the extended Black Sea area;
- EAPC and new partnership policy.

The format of EAPC/APAG meetings brings together representatives of former Soviet states, neutral western countries, Western Balkan states, non-members of NATO along with representatives of NATO member states to discuss common security issues.

Deputy Premier Iurie Leanca, minister for foreign affairs and European integration, met Thursday Ambassador Dirk Brengelmann, NATO assistant secretary-general for political affairs and security policy. Leanca mentioned the gradual dynamic of development of Moldova-NATO relations, noting that Moldova calls for further consolidation of political dialogue and practical cooperation with NATO in diverse areas, including reformation of national security and defence sector.

Republic of Moldova – Council of Europe

ECHR judgments

ECHR pronounced two decisions in the second half of June concerning the fair resolution of two cases: [Ipate vs. Moldova](#) and [Oculist and Imas vs. Moldova](#).

The Court established in the case Ipate vs. Moldova violation of the right not to be tortured and treated in an inhuman manner and granted 15,000 Euros to applicant in non-pecuniary damage and 100 Euros in costs and expenses.

The Court established in the case Oculist and Imas vs. Moldova violation of the right to a fair trial and granted by 1,600 Euros to applicants in non-pecuniary damage and 1,000 Euros in costs and expenses.

V. COMMENTS

Election of district heads – a new occasion to torpedo or revitalize AIE

Igor Botan

1. AIE-style criteria, principles and values

Leaders of the Alliance for European Integration (AIE) have delivered schematic statements concerning the establishment of majority coalitions in districts. However, some of statements came before the latest and sharpest scandal between leaders of the Liberal Democratic Party of Moldova (PLDM) and Democratic Party of Moldova (PDM). The third component of AIE, the Liberal Party (PL) kept silence and neutrality in the scandal between the two allies. If attitudes and principle statements by AIE leaders do not change after the scandal concerned, they should be revealed in order to find ways to build district alliances.

According to PLDM leader Vlad Filat, "... let's forget angers and work together for the sake of citizens. Local coalitions will be built in accordance with **results of elections. Of course, they will be established within the Alliance for European Integration...** We will not accept "alliances" as part of the alliance." The positioning of the PLDM leader could mean that AIE will reply at district level only if the other two partners would allow the party who has most councillors to nominate the heads of districts, but they should not invoke the argument that together they have more councillors than PLDM.

PL leader Mihai Ghimpu does not warm the PLDM approach, proposing "... **the establishment of coalitions accordingly to results of the voting at national level.**" Thus, PL says that the seats of district heads shall be allotted in the 26 AIE-controlled districts proportionally to the overall number of **votes, not mandates** got by each party at district and municipal levels, inclusively in constituencies in which the Party of Communists of the Republic of Moldova (PCRM) won the absolute majority of seats of district and municipal councillors.

PDM leader Marian Lupu has partly backed the PL initiative and accused the PLDM of being egoist, as in the 26 AIE-controlled districts the PLDM would be helped to nominate its representatives in 23 out of 24 districts, PDM in 2 or even 3 districts and PL would not be able to claim any seat of district chief.

PDM worked out a draft *agreement on building local democratic coalitions* on the basis of common approaches by PDM and PL, which says that:

- AIE member parties will build local coalitions;
- No coalition will be made with representatives of the Party of Communists of the Republic of Moldova (PCRM);
- The basic criterion of the agreement consists in mutual, guaranteed and fair support for AIE member parties in the process of building coalitions and sharing ruling offices;
- Seats of district heads will be awarded on the basis of the general proportion between results of AIE member parties at elections to district councils: PLDM will be supported to promote 13 district heads; PD – 9 and PL – 4, and the concrete assignation will be negotiated and assessed in a special annex to the agreement.

The draft agreement seems to be realistic, despite the unclear method used by PDM to allot seats of district heads to AIE member parties. Perhaps the PDM took into account the fact that PL owes something to PLDM.

2. Fair criteria and principles

There is no way to apply directly the principle of *majority vote of citizens in constituencies*, promoted by PLDM to nominate heads of districts, as none of AIE party members got an absolute majority in any district. As for the *relative majority*, coalition partners supply them in the 26 districts up to *simple majorities* needed to assign heads of districts, in line with the law on local public administration. Thus, local AIE coalitions could be built just under a compromise with eventual allies, no matter who they are.

However, the PLDM-promoted *majority* principle is very important and useful, if applied together with the *proportionality* principle promoted by PL and supported by PDM in a different manner. In addition, if ensuring a fair reciprocal support while nominating district heads, PL should not forget that its candidate to the seat of Chisinau mayor was elected particularly due to the great support of PLDM. Therefore, PL should *generously* support PLDM to nominate district heads. The *proportionality* principle is the only way to reach a **compromise** needed to build local alliances and the *majority* principle alone provides the **mechanism** needed to identify the districts in which the three AIE member parties will nominate their candidates without any controversy. The *generosity* principle would allow PL to prove its nobility and pay off its “debts” to PLDM.

The appetite of PLDM to share the seats of district heads on basis of the *relative majority* criterion within local coalitions reveals the unrealism or the wish to have covers for other kind of coalitions, as the party is unable to assign alone at least one district head without support of eventual allies. Even more, PLDM cannot nominate own candidates in more than 6 districts, as Article 49(1) of Law No. 436/28.12.2006 concerning the local public administration says that “the district council shall elect the district head upon proposal of at least one third of elected councillors, with the vote of majority of elected councillors.”

The *proportionality* principle would provide an exit from impasse, but PL and PDM want to apply it in a different manner. PL seeks this principle, given the overall votes for the three AIE members in all districts and municipalities, including the eight PCRM-controlled districts in which AIE components do not have anything to share. According to this principle, PLDM would be able to nominate candidates in 11 districts, PL in 8 districts and PDM in 7. On the other hand, they should logically take into account the fact that the votes of electors turned into mandates of district councillors, who finally nominate district heads. If the *proportionality* principle takes into account the number of seats of councillors got by the three parties in districts, rather than the votes of electors, it should logically be used just in the 26 AIE-controlled districts, not in the districts and municipalities in which PCRM holds an absolute majority. This principle would provide the following picture: PLDM would get 12 seats, PDM – 9 and PL – 5. The result would be the same if applying the proportionality principle by taking into account the total number of seats got by AIE members, including in PCRM-controlled districts and municipalities. However, PDM applied a curious formula in the draft agreement to get the following distribution: PLDM – 13; PDM – 9; PL – 4. Perhaps PDM applied automatically the principle of generous gratification of PL towards PLDM.

If AIE member parties agree to apply the *proportionality* principle, the *majority* and *generosity* principles could be applied as follows:

- In districts in which PLDM (and PDM for formalisation) holds at least 1/3 of seats of councillors and can nominate own candidates to ruling offices, in line with the law on local public administration, these candidates would enjoy an unconditional and *generous* support by alliance partners. PLDM holds at least 1/3 of seats of councillors in 7 districts (Causeni, Criuleni, Hincesti, Ialoveni, Rezina, Soldanesti and Telenesti), and PDM in two districts (see the Table);
- In districts in which an AIE member holds less than 1/3 seats of councillors but more than the common number of mandates of the other two components, the

leader is helped to nominate district heads. There are four such districts in case of PLDM (Briceni, Drochia, Soroca and Ungheni);

- In districts in which PLDM is represented by less than 1/3 of councillors and less than PDM and PL are, the latter hold the right to nominate candidates to head districts accordingly to majority. PDM would have the right to do so in Cahul, Calarasi, Floresti, Glodeni, Orhei, Riscani, and Stefan Voda. PL would do so in Anenii Noi, Cantemir, and Straseni.
- In districts in which the number of PLDM councillors is equivalent to the common number of PL and PDM councillors, the generosity principle should be used to establish the districts in which PLDM should be privileged to nominate candidates to head them, before meeting the requirements of proportionality principle (Cimislia, Falesti, Sangerei).
- After applying these principles, AIE components could agree on mutually acceptable exchanges in order to overcome strict standards.

Table 1. Allotment of seats of district heads in case of AIE enlargement at district level by using proportionality and majority principles

	PCRM	PLDM	PDM	PL	Others	Total
PCRM-controlled municipalities and districts (PCRM>(PLDM+PDM+PL))						
Chisinau	26	7	1	17	-	51
Balti	26	5	2	2	-	35
Basarabasca	14	6	6	-	1	27
Donduseni	14	6	4	2	1	27
Dubasari	17	5	3	2	-	27
Edinet	17	5	10	1	-	33
Ocnita	20	6	6	1	-	33
Taraclia	19	3	4	-	-	27
Districts in which AIE holds an absolute majority but one of its components has at least 1/3 of councillors ((PLDM+PDM+PL)>PCRM; (PLDM V PDM V PL)≥1/3)						
Causeni	12	11	6	3	1	33
Criuleni	9	11	7	5	1	33
Hincesti	7	14	10	4	-	35
Ialoveni	7	11	7	8	-	33
Rezina	11	12	7	3	-	33
Telenesti	4	14	10	5	-	33
Soldanesti	9	9	5	3	1	27
Leova	10	9	11	3	-	33
Nisporeni	4	8	14	6	1	33
Districts in which AIE holds an absolute majority, PLDM is represented by less than 1/3 of councillors, but more than PDM and PL are together ((PLDM+PDM+PL) >PCRM; PLDM<1/3; PLDM>(PDM+PL))						
Briceni	14	10	7	2	-	33
Drochia	16	9	7	1	-	33
Soroca	14	10	6	3	-	33
Ungheni	14	11	6	3	-	35
Districts in which AIE holds an absolute majority, PLDM is represented by less than 1/3 of councillors and less than PDM and PL are together, and PDM has more councillors than PL ((PLDM+PDM+PL) >PCRM; PLDM<1/3; PLDM< (PDM+PL); PDM >PL)						
Cahul	15	9	6	4	1	35
Calarasi	7	9	8	5	4	33
Floresti	14	8	8	2	1	33
Glodeni	12	9	8	3	1	33

Orhei	6	10	9	7	3	35
Riscani	14	7	6	2	4	33
Stefan Voda	10	10	8	5	-	33
Districts in which AIE holds an absolute majority, PLDM is represented by less than 1/3 of councillors and less than PDM and PL are together, and PL has more councillors than PDM ((PLDM+PDM+PL) >PCRM; PLDM<1/3; PLDM>(PDM+PL); PL>PDM)						
Anenii Noi	14	8	4	5	2	33
Cantemir	12	9	5	7	-	33
Straseni	9	10	5	8	1	33
Districts in which AIE holds an absolute majority, but none of its components is represented by at least 1/3 of councillors, and PLDM and PDM+PL have the same number of councillors. In these districts, PLDM and PL shall reach a compromise in order to respect the proportionality principle, so that PLDM would control one district and PL – 2 (for example, PL would rule the district in which it got more seats and the district in which the difference of mandate is small) ((PLDM+PDM+PL) >PCRM; (PLDM ∩ PDM ∩ PL) <1/3; PLDM=(PDM+PL))						
Cimislia	11	10	6	4	2	33
Falesti	15	9	7	2	-	33
Singerei	11	10	8	2	2	33

3. Conclusions

- Disputes between AIE components exceeded the limits to be credible in eyes of electors. For the time being, following local elections, the definitive collapse or eventual recovery of AIE could be based on a political decision to build majorities in district councils. The failure to make such a decision would mean in fact the collapse of AIE and a political chaos which would be very hard to settle;
- An eventual disagreement of AIE members to reply in districts would not advantage any AIE components, if they make alliances with PCRM. For example, in a hypothetical alliance of PLDM with PCRM the first would get fewer seats of district heads accordingly to the *majority* principle which it promotes. In the best of cases, PLDM would get the same number of seats of district heads through conversion of independents as it would do if AIE extends in districts;
- Both the distribution of seats of district heads and of deputy district heads is important. The easiest way would be to allow other two AIE members to nominate deputy heads in the districts headed by an AIE component. However, it would be welcome to let the PCRM as well to nominate deputy heads of districts in which it controls more than 1/3 of seats of councillors;
- The fair approach explained above will be unlikely applied. AIE will likely collapse both in districts and at central level.