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**European Union – Republic of Moldova Action Plan:
Assessment of progress in 3rd quarter of 2007**

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ABBREVIATIONS AND ACRONYMS

PCA – Partnership and Cooperation Agreement;
PACE – Parliamentary Assembly of the Council of Europe;
NBM – National Bank of Moldova;
NBMi – National Bureau for Migration;
CCTP – Centre for the Combat of Trafficking in Persons;
EUBAM – European Union Border Assistance Mission to Moldova and Ukraine;
NBS – National Bureau for Statistics of the Republic of Moldova;
CHRM – Centre for Human Rights of Moldova;
EC – European Commission;
CEC – Central Electoral Commission;
ECHR – European Court of Human Rights;
NCEI – National Commission for European Integration;
CoE – Council of Europe;
CIS – Commonwealth of Independent States;
SCJ – Supreme Court of Justice;
MIA – Ministry of Interior Affairs;
MFAEI – Ministry of Foreign Affairs and European Integration;
MID – Ministry of Information Development;
IOM – International Organisation for Migration;
OSCE – Organization for Security and Cooperation in Europe;
EUMAP – European Union – Moldova Action Plan;
ENP – European Neighbourhood Policy;
PRGF – Poverty Reduction and Growth Facility;
PGO – Prosecutor-General's Office;
SPSEE – Stability Pact for South East Europe;
RM – Republic of Moldova;
CPA Reform – Central Public Administration Reform;
LPA Reform – Local Public Administration Reform;
EGPRSP – Economic Growth and Poverty Reduction Strategy Paper;
BGS – Border Guard Service;
EU – European Union;
USD – U.S. dollar;
3rdQ-2007 – 3rd Quarter of 2007.

METHODOLOGY

Reports from Euromonitor series aim at an independent and fair monitoring of the process of implementation of the Moldova – European Union Action Plan. The actions taken and implemented by the signatory parties of the Action Plan are monitored every quarter.

The Euromonitor series is published in 2007 with the support of the Soros-Moldova Foundation within the project “Moldova – European Union Action Plan – Accessible document for the public (the 2nd phase)”. The monitoring methodology did not essentially change in comparison with the other 5 issues of Euromonitor which covered the developments in 2005-2006. Starting with the 2nd (7) issue of Euromonitor, the progress of implementation of the Action Plan is evaluated in the following key areas:

1. Political dialogue and democratic institutions;
2. Consolidation of administrative capacity;
3. Transnistrian conflict;
4. Justice;
5. Development and economic reforms;
6. Development and social reforms;
7. International trade;
8. Business climate;
9. Market institutions;
10. Border, migration and trafficking in human beings.

The authors have tried to identify what they regarded as key progresses and main problems. However, this does not mean that certain important segments or accomplishments have not been covered by this analysis. The developers have worked out a list of quality and quantity indicators for every area in order to assess the progress. Independent experts in the area have been consulted in this context. The quantity indicators have been taken over from official statistics and other national and international reports. The quality indicators have been quantified on basis of assessments by experts or individual assessments by developers have been worked out. Every indicator was evaluated on the scale -2 to +2, as follows:

- 2 Major regress;
- 1 Moderated regress;
- 0 No changes;
- +1 Moderated progress;
- +2 Major progress;

The progress was calculated as a simple average of assessments by experts when experts have been interviewed. The evolution of indicators for every area is indicated in the proper monitoring grid. The grid indicates the evolution in the 3rd quarter of 2007, factors that conditioned this evolution, practical impact of observed developments, circumstances that favour the future progress, the risks capable to compromise the progress, as well as the quantity of the progress.

The Action Plan is a document formulated in ambiguous terms. It represents a (unfinished) strategy rather than a proper action plan. Although the ambiguous terms and the lack of clear indicators could be politically advantageous, depending on circumstances, this situation complicates a comprehensive and fair monitoring process very much.

Therefore, the list of indicators formulated by developers to monitor the evolution of the Plan remains open for debates and recommendations of the public in continuation.

Political dialogue and democratic institutions

An activation of the Moldova-EU **political dialogue** was observed in the 3rd quarter of 2007. The Ministry of Foreign Affairs and European Integration (MFAEI) has played an important role in stirring up the dialogue between the Parties. Many meetings at level of EU institutions and member states have taken place in the period concerned, with Moldova expressing its vision regarding prospects of its relationship with the EU. Chisinau laid the stress on Moldova's progressive joining to the EU four-freedom area, at the meetings with the EU.

Moderate accomplishments and problems similar to those reported for the first half of 2007 were observed in the field of **democratic institutions**. The moderate accomplishments include the consolidation of legislation on human rights, development of dialogue between authorities and civil society, and the Council of Europe (CoE). The main shortcomings observed in the period concerned are: violation of human rights, sentencing of Moldova by ECHR in another 7 cases, existing concerns with efficiency of the national anti-torture mechanism and situation of the media, as well as delayed adoption of laws in the field.

Consolidation of administrative capacity

Although it is a declared and necessary priority, the **consolidation of administrative capacity** did not progress much, except for development of information technologies. Although the social-political and economic condition is relatively stable, progresses of the Central Public Administration Reform are modest so far, and there are many shortcomings. The Local Public Administration Reform is actually stagnating, and no essential measures are taken to depoliticise the public administration. Authorities did not work hard to enhance the probity, and the transparency of public authorities is regressing again. In spite of ongoing anti-corruption strategies and plans, the situation did not improve much. Authorities are late to work out and enforce reforming acts and measures, letting alone the efficient, adequate and rigorous implementation of new regulations and practices which is harder, and it is already clear that they will not meet deadline for the EUMAP implementation.

Transnistrian conflict

Efforts of Moldovan authorities, mediators and observers to resume the political **Transnistria settlement** negotiations have failed. The EU-Ukraine Summit has taken notice of Ukraine's important contribution to the Transnistrian settlement, in particular, by implementing the single customs regime at the Moldovan-Ukrainian border and through the constructive cooperation of Ukraine with the EU Border Assistance Mission (EUBAM) to Moldova and Ukraine. The European Parliament has adopted a resolution on human rights in the Transnistrian region, condemning the violation of human rights and fundamental freedoms in the region and calling on the EU to participate more actively in the settlement efforts. The most important progress was achieved in continuation thanks to the EUBAM, which helped elaborating and implementing the basic mechanism allowing Transnistria-based economic agents to benefit of the European trade preferences.

Justice

The authorities have started paying more attention to the **judiciary**, contributing to the support and promotion of specialised assistance programmes by adopting important legal and normative acts. The independence and quality of the judiciary still raise an essential concern in Moldova, as well as among foreign observers, community institutions. The political and administrative influence is not excluded and limited at a minimum, inoffensive level. Problems of the judiciary give birth to new applications to the ECHR, and the number of cases and sentences is on the rise. Alternative ways to settle litigations are not promoted well; the situation in prisons unfits so far the international standards and even the national regulations in the field.

Development and economic reforms

Unfavourable circumstances for Moldova's economy were observed in the **development and economic reform** area in the 3rd quarter of 2007. Prices have grown in parallel with the appreciation of the domestic currency. Thus, the cumulated inflation rate reached 9 percent in the first nine months of this year, so that it will be impossible to maintain the 10 percent target rate in 2007. This fact alarmed the authorities and, therefore, the National Bank of Moldova increased the basic interest rate in September up to 16 percent. The trade deficit has also increased, reaching 1.4 billion dollars in January-August.

Earnings of population have decreased after the drought, which affected the incomes of rural population and reduced by about 30 percent the medium monthly salary in budgetary sector in August, compared with June. However, it will be impossible to analyse how they affected the poverty rates because of the new methodology used to calculate the poverty rate and poverty indicators starting 2006, and they are not comparable with the data for the precedent years.

The industry only has recovered after recession, and it is on the rise starting July 2007. It rose by 0.6 percent in January-September 2007, compared with the same period of 2006.

The state budget law for 2008 based on a 6 percent GDP growth in 2008 and a 9.3 percent medium annual inflation rate was voted in two readings.

Development and social reforms

The Government was tabled an action plan on optimisation of the social assistance system in the 3rd quarter of 2007, in order to examine and approve it. Also in the field of **social reforms**, the National Strategy and the Action Plan on residential child care system reform for 2007-15 were adopted, and they stipulate that the child has the right and the necessity to grow up in a family or in an environment close to the family, in order to normally develop. However, the 2008 budget does not foresee enough resources for this purpose. Thus, the economic, financial reasons will defeat the social protection reasons, hardening the implementation of this strategy.

A series of activities have been organised to deepen the quality of reforms in the context of the Bologna Process. Starting September 1, 2007, four TEMPUS projects are being implemented to grant scholarships outside of Moldova. A number of scholarships have been awarded under bilateral cooperation agreements.

International trade

Contradictory trends were observed in the **foreign trade** sector in the 3rd quarter of 2007. On one hand, the process of awarding of the Autonomous Trade Preferences is almost over. In addition, important progresses are observed in the customs sector – the Customs Service issues all preferential export certificates starting August 1.

On the other hand, the trade balance is worsening in continuation on background of an increasing disparity between growth rate of imports and exports. One anticipates the rise of the trade deficit in continuation. The wine exports have apparently restarted, but in a “formula” promoted by the Russian Federation. At the same time, there are grounds that the resumption of exports will be delayed in continuation.

Business climate

Important laws such as the law on limited societies, which maintains the minimum registered capital of societies at the level of 5,400 lei, have been adopted in the **business climate** sector. The new law on accountancy and the law on auditing which will enter into force on January 1, 2008 are better and meet the present development requirements. The Parliament has adopted the law on state registration of legal entities and individual enterprises, which essentially simplifies the procedure of registration and erasing of these businesses from the State Register. According to the World Bank report „Cost of doing business 2008”, Moldova has climbed on the 92nd place among 178 countries, compared with the 103rd spot in 2006, achieving progresses regarding taxation, but regressing in the employment area.

Market institutions

The new law on savings and loan associations, which will be enforced on January 1, 2008, allows both individuals and legal entities to join these associations, relieving much their territorial functioning restrictions. The law on industrial parks aims at a regional development and at reducing discrepancies between the Chisinau municipality and other areas of the country, though local public authorities play a marginal role in building and monitoring the parks.

As regards the **market institutions**, the Energy Strategy of Moldova until 2020, which is actually an updating of the precedent strategy drafted with the support of CoE experts, was published. It is worth to note that the implementation of the precedent strategy was not evaluated.

Border, migration and human trafficking

Following a period of modifications and structural changes, the institutional and legal framework on evaluation and monitoring of **migration** was finalised. Competent structures work accordingly to norms and regulations stipulated by legislation. However, their activity is monitored a little or not at all. At the same time, though the Government has decided on elaboration of the draft automatic integrated information system on migration by September 1, 2007, the concept was not presented so far. Many state structures participating in migration monitoring hold their databases, but they are not integrated and they are at different development levels, and this fact hardens the integral record and evaluation of migration. However, the quality of migration monitoring in Moldova has improved thanks to international cooperation via joint projects between missions of international organisations in Chisinau and state structures.

The shortage of statistics on **human trafficking** halts a clear image of this field. However, according to reports and statements by NGO representatives, the general situation tends to improve. The number of trafficked Moldovans is constant due to the help of state institutions and specialised NGOs to stop the trafficking. At the same time, Moldova has improved its positions in the world standing on gravity of human trafficking, leaving the 1st group and joining the 2nd

group of the standing besides Romania and Ukraine. Commitments and initiatives by NGOs participating in prevention and struggle of the trafficking in persons are also important to combat this phenomenon. Their activity is often more efficient than of state authorities participating in the prevention and fight against human trafficking.

1. POLITICAL DIALOGUE AND DEMOCRATIC INSTITUTIONS

Political dialogue: general assessments

- Brussels hosted an informal Moldova – EU meeting in August 2007, which focussed on prospects of relations between the Parties following the deadline for the implementation of EUMAP and PCA. The meeting brought together deputy foreign ministers and resident representatives of EU member states in Brussels, representatives of the EU Council and European Commission. Valeriu Ostalep, deputy minister of foreign affairs and European integration, has addressed the meeting regarding the EUMAP implementation process and Moldova's attitude towards the future legal document on which the relations between the Parties will be built.
- The conference **Working Together – Consolidation of the European Neighbourhood Policy** took place in Brussels on September 3, 2007. It was organised at the initiative of the European Commission. Taking part in the event were high-ranking functionaries of European institutions and high officials, representatives of business environment and civil society from countries participating in ENP. By organising this conference, the European Commission wanted to understand better the wishes of ENP participating states, in order to include them in the offer that the EU makes via the ENP. Deputy Premier Andrei Stratan, minister of foreign affairs and European integration, reported Moldova's attitude towards ENP at the conference, highlighting the need of: (a) diversification of priorities of the Action Plan as regards the four move freedoms: of goods, persons, services and capital; (b) economic-commercial integrity; (c) access to the EU domestic market; (d) gradual liberalisation of the visa regime between partner states and EU; (e) development of the legal framework of Moldova-EU relations.
- Andrei Stratan resumed the reference points from his speech to the September 3 Conference at the September 12 sitting of the European Parliament (EP) Foreign Affairs Committee. Stratan reiterated the need of finalising a new legal framework on relations with the EU following February 2008, which would gradually bring Moldova to the four-freedom area.
- NCEI has held weekly sittings starting September 13, in order to ensure a better coordination of the EUMAP implementation process. The NCEI chairman, Prime Minister Vasile Tarlev has ordered competent authorities to accomplish the EUMAP objectives by November 17, 2007.¹
- Brussels hosted the **8th Meeting of the EU-Moldova Cooperation Subcommittee on Justice and Home Affairs** on September 19, 2007. It focussed on Moldova's actions in the following areas: judiciary; migration management; prevention and combat of corruption, organised crime and trafficking in human beings. The sides agreed on the need to start negotiations on signing a cooperation agreement between Moldova and FRONTEX² in 2008.

Human rights

Progresses:

- The process of consolidation of legislation on human rights has continued.
- The Parliament approved the Law # 198-XVI from 26.07.2007 concerning state-guaranteed legal assistance. The document regulates the conditions, volume and granting of state-guaranteed legal assistance for protection of human rights and fundamental freedoms, other legitimate interests of people, free and fair access of everybody to qualified legal assistance.
- The Government has approved an action plan on respect of the right to petitioning, information and access to justice and the draft law on modification and completion of the law on petitioning. The draft law stipulates the possibility to send an electronic petition with a digital signature.

Shortcomings and problems:

- The **anti-discrimination legislation** (Objective 4 of EUMAP) was not promoted so far.
- The European Charter for Regional or Minority Languages, an objective of NHRP, was not ratified.
- The ECHR has sentenced Moldova in another 7 cases, in particular, *Flux (nr. 2) vs. Moldova*; *Bimer S.A. vs. Moldova*; *Paladi vs. Moldova*; *Gorea vs. Moldova*; *Ungureanu vs. Moldova*; *Mizernaia vs. Moldova*, and *Bit*

¹ Prime Minister Vasile Tarlev explained that November 17, 2007 is the 5th anniversary of the decree on creation of NCEI. For more details, the decree was signed on November 13, 2002 and published in Monitorul Oficial # 151-153/1196 from November 14, 2002.

² FRONTEX has signed such a document with Ukraine.

and others vs. Moldova.³ It sentenced Moldova for violation of freedom of expression, rights to protection of property, fair trial, effective appeal, for torture, restriction of freedom and freedom to appeal to the ECHR.⁴ The Strasbourg-based Court has sentenced Moldova in 27 cases (38 percent) in the first three quarters of 2007; Moldova has lost 71 cases until now.⁵

- The police have held members of the public organisation Hyde Park during a protest in front of the Ministry of Home Affairs, though the Chisinau City Hall has authorised the meeting.
- The briefs of ECHR judgments sentencing Moldova have not been published in *Monitorul Oficial* so far.

Prevention of torture. Rights of detainees

Progresses:

- Under the Law# 200-XVI from 26.07.2007 on modification and completion of the law on ombudsmen and Decision # 201-XVI from 26.07.2007 on modification and completion of the Regulation concerning the Human Rights Centre of Moldova (HRCM), the Parliament has empowered the HRCM to prevent the torture at national level. These changes come following the enforcement of the Optional Protocol to the U.N. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment on July 24, 2006.
- Police representatives have been sentenced for abuse and torture.
- Relations between employees of prisons and inmates have improved.

Shortcomings and problems:

- Authorities take insufficient measures to combat the impunity for torture.⁶
- National and international institutions in charge with protection of human rights such as Amnesty International Moldova, CReDO, Promo-Lex, the OSCE Mission to Moldova, etc., have criticised the decision of authorities to entrust the HRCM only to prevent the torture at national level, insisting on the need of a more representative torture supervision mechanism.⁷ The authorities did not meet the recommendations by these institutions.
- The more frequent use of the home arrest, reduction of pre-trying detention term, questionings in special rooms and rigorous investigation of torture cases would help reduce this phenomenon.⁸

Rights of employees

Progresses:

- The Government has approved the regulation on calculation of the work period in order to pay a work length rise to budgetary personnel remunerated on basis of the single tariff network. Under the document, starting July 1, managers, qualified workers and administrative functionaries of educational, health and social assistance, cultural and art, physical training and sport institutions, other budgetary institutions which pay salaries on basis of the single tariff network will be paid a rise to their wages. The rise is between 10 and 30 percent of the salary and it depends on work length, being paid after two years of service.⁹
- The Labour Inspection has sanctioned a number of workers for violation of labour conditions.

Shortcomings and problems:

- Most of breaches of labour legislation are related to improper organisation of jobs, lack of labour contracts, lower salaries than stipulated by legislation, overtime work, salary arrears, and unmotivated dismissal. The number of industrial accidents including fatal has grown compared with 2006 because of violations.
- The lack of a law on minimal living adjusted to the minimal consumption basket is a problem related to those faced by workers at present.
- An efficient mechanism against informal economy and illegal labour is absent.

³ www.lhr.md.

⁴ Moldova will have to pay 567,842 euros (approximately 9.09 million lei) in damages for the 7 cases.

⁵ The ECHR has told Moldova to pay nearly 1.44 million euros (about 23.04 million lei) as damages to applicants until now.

⁶ Amnesty International Moldova (2007), *Moldova. Police torture and ill-treatment: „It's just normal”*, <http://web.amnesty.org/library/index/engur590022007>.

⁷ Amnesty International Moldova *et al.* (2007), *Moldova: Profanation of Efficient Anti-Torture Struggle. Statement # 107/07*, July 19, <http://credo.md/arhiva/documente/107%5C%2707%20Statement%20OP-CAT%20RO.pdf>; OSCE Mission to Moldova (2007), *The Mission head says the new anti-torture body must be independent and effective*, Press release, July 19, http://www.osce.org/documents/pdf_documents/2007/07/25689-1.pdf.

⁸ Amnesty International Moldova (2007).

⁹ Moldpres (2007), *Budgetary Employees Will Enjoy a Salary Rise Starting July 1*, News # 05771, July 19.

- Social partnership at all levels is still sensitive.

Equal chances

Progresses:

- The Ministry of Social Protection, Family and Child (MSPFC) jointly with the United Nations Development Fund for Women (UNIFEM) organised on August 3 the Consultative Forum on Millennium Development Goals regarding gender equality and employment, social protection, education and healthcare.

Shortcomings and problems:

- The problems signalled for the first half of 2007 were observed in the 3rd quarter of this year as well.

Child rights

Progresses:

- The Government has approved the 2007-09 national strategy on community actions aimed to assist children in need.
- A September 12 meeting with the participation of parliamentarians, national and international experts discussed the possibility to create the Child Lawyer Institute.

Shortcomings and problems:

- The children's rights to a normal living, family and education are mostly violated in Moldova.
- The 2004-05 NHRP stipulates the consideration of the possibility to build the Child Lawyer Institute.
- Authorities still pay insufficient attention to children whose parents are working abroad.

Ensuring the right to association

Progresses:

- The Parliament has adopted the Law # 178-XVI from 20.07.2007 on modification and completion of the law on public associations. The changes aim to "adjust [the law] to the Civil Code." The draft was finalised after initiatives have been discussed with representatives of civil society organisations.

Shortcomings and problems:

- The Parliament has taken into consideration a small number of proposals by NGOs while finalising the draft law on modification and completion of the law on public associations. For this reason, the modification of the law is unequivocally appreciated.

Fulfilment of CoE recommendations / Execution of ECHR judgments

Progresses:

- The Parliament has reconsidered and adopted the law on religious denominations and their components, giving green light to a number of modifications recommended by the chief of state, among them: the state recognises the primordial role of the Christian Orthodox religion and Orthodox Church of Moldova in life, history and culture of Moldovan nation.
- The Parliament has approved laws on ratification of the Additional Protocol to the Criminal Convention on Corruption and the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds fro, Crime and Financing of Terrorism.
- MFAEI has called upon CoE member states to ratify the European Convention Against Trafficking in Human Beings.
- On July 19, the legal commission for rules and immunities and the human rights commission of the Parliament

held hearings on cases and measures aimed to prevent the sentencing of Moldova by ECHR. In order to prevent ECHR sentences vs. Moldova in future, all national courts were recommended to apply the European jurisprudence; a reserve fund shall be created for the execution of judgments at local level and a national mechanism for the examination of citizens' appeals signalling violation of human rights shall be created. Moldova is executing the ECHR judgments in general.

Shortcomings and problems:

- The Parliament is late with adopting new laws concerning the **status of the Chisinau municipality, strengthening of parliamentary immunity, Code of Education Laws. Reasons of penal cases filed against opposition leaders at national and local levels have not been investigated.**¹⁰
- The phrase "Orthodox Church of Moldova" from the law on religious denominations and their components is described as restrictive and discriminatory.
- Although the prevention of ECHR sentences vs. Moldova is discussed much, little was done in reality. So far, no regress case was filed against persons who are to blame for the ECHR judgments vs. Moldova.

Cooperation with civil society

Progresses:

- The Parliament chairman and prime minister of Moldova have separately met representatives of the National Confederation of Trade Unions of Moldova (NCTUM) and discussed issues related to social protection of salary earners. That was the fourth meeting between the speaker and NCTUM representatives within the Parliament's Concept on Cooperation with Civil Society.

Shortcomings and problems:

- In spite of a tighter cooperation between state public institutions and NGOs, the first still demonstrate a dose of formalism in this process.
- At the same time, many registered NGOs have limited resources and/or continue to demonstrate a low interest towards participation in drafting and implementation of public policies.

Freedom of mass media and access to information

Progresses:

- No important progress was observed in this field.

Shortcomings and problems:

- **The Objective 9 of EUMAP was not fully accomplished.** It stipulates state financial assistance for the mass media provided on basis of strict criteria and objectives equally applied on all media.
- The situation around CCA revealed problems related to provisions on number of days after which a CCA decision must be published in *Monitorul Oficial*.
- CCA members have signalled the meddling of political factors and groups of interests in the CCA work.
- TRM still fails the norms of a public broadcaster and its Board of Observers did not find yet the place and lease stipulated by legislation.¹¹
- Many national organisations have criticised the CCA decision to give the former frequency network of the Romanian Television Society (RTS) used to air the TVR 1 in Moldova to a quasi-unknown company on Moldovan media market – TelefeM International Company.¹² The European Federation of Journalists (EFJ) and the International Federation of Journalists (IFJ) have released a communiqué to back national organisations.

¹⁰ PD # 284-XVI from 11.11.2005, *Monitorul Oficial* # 157-160/788 from 25.11.2005.

¹¹ APEL (2007), *Broadcasting Code Enforcement Monitoring Project*, press release http://www.apel.md/comunic/COMUNICAT_DE_PRESA_120907.pdf.

¹² APEL et al. (2007), *APPEAL by media and human rights organisations upon competent state institutions, international organisations and diplomatic missions to the Republic of Moldova*, October 2, http://www.apel.md/comunic/APEL_ONG_TVR.pdf.

Monitoring grid 1. Democratic institutions

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
<p>Human rights / Ensuring the right to association</p>	<ul style="list-style-type: none"> Approval of acts on human rights; Sentencing of Moldova by ECHR in another 7 cases; Empowerment of HRCM to prevent the torture at nations level; Sentencing of policemen on torture charges; Consideration of possibility to create the Child Lawyer Institute; 	<ul style="list-style-type: none"> Consolidation of the human rights regulatory framework; Spending of public funds to compensate pecuniary and non-pecuniary damages to applicants; undermined credibility of the national legal system; Formal and possibly inefficient fulfilment of human rights commitments towards the United Nations; Introduction of the anti-torture practice; Late creation of a favourable framework to build this institute; 	<ul style="list-style-type: none"> Willingness of authorities; recommendations and/or assistance of competent national and international organisations; Inefficiency of the mechanism aimed to punish the persons who are to blame for the sentencing of Moldova; low quality and professionalism of some judgments/judges; Adoption of the Optional Pact to the U.N. Convention against Torture; the national torture supervision mechanism was introduced without a wide representation; ignorance of recommendations on human rights made by competent national and international institutions; Enforcement of the anti-torture legislation; influence of ECHR jurisprudence; lobby of parties, competent national and international organisations and mass media; NHRP; assistance and expertise of national and international organisations; 	<p>+0.5</p>	<ul style="list-style-type: none"> Monitorul Oficial of RM; Records of parliamentary sittings; www.gov.md ECHR judgments; www.lhr.md; www.osce.org; www.credo.md; NHRP; Mass media;
	<ul style="list-style-type: none"> Modification of the law on public associations; 	<ul style="list-style-type: none"> It obliges the organisations concerned to get registered again within 18 months after the enforcement of this law; 	<ul style="list-style-type: none"> Necessity to adjust the law to the Civil Code; 	<p>0</p>	<ul style="list-style-type: none"> Monitorul Oficial of RM; Records of parliamentary sittings; Mass media; Estimates by authors;
<p>CoE recommendations / Execution of ECHR judgments</p>	<ul style="list-style-type: none"> Re-examination and adoption of the law on religious denominations and their components; Ratification of CoE documents; MFAEI call upon CoE member states to ratify the Convention against Trafficking in Human Beings; 	<ul style="list-style-type: none"> Fulfilment of a commitment towards CoE; the state recognises the primordial role of the Christian Orthodox religion and Orthodox Church of Moldova in life, history and culture of Moldovan nation; any theological institutions must be licensed or accredited by state; diplomas and certificates issued by theological institutions unaccredited by state will be valid within the religious denomination concerned only; Consolidation of regulatory framework; Improvement of foreign image; 	<ul style="list-style-type: none"> CoE recommendations; lobby of the Metropolitan Church of Moldova; Moldova's commitments as a CoE member; MFAEI influence to build a very favourable framework for Moldova; desire to combat the trafficking in human beings at a supra-national level; 	<p>+1.0</p>	<ul style="list-style-type: none"> Records of parliamentary sittings; www.parlament.md; www.mfa.md; Mass media; www.lhr.md; Estimates by authors;

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Cooperation with civil society	<ul style="list-style-type: none"> Meetings of speaker and prime minister with NCTUM representatives; 	<ul style="list-style-type: none"> Reiteration/assuming of commitments by authorities; 	<ul style="list-style-type: none"> CNSM initiative; readiness of authorities for opening; 	+0.5	<ul style="list-style-type: none"> Parliamentary press service; Governmental press service; Mass media;
Freedom of mass media / Access to information	<ul style="list-style-type: none"> Exogenous pressures on CCA; situation around CCA revealed problems related to provisions on publishing of CCA decisions in <i>Monitorul Oficial</i>; Maintenance of TRM within the same editorial policy; Auctioning of the frequency network used by RTS to air TVR1 in Moldova 	<ul style="list-style-type: none"> New CCA leadership; Preponderant coverage of authorities' opinions; neglected interests of information consumers who do not share the vision of authorities; Injustice faced by RTS, which holds a valid licence until 2011; anticipation of a situation capable to affect the interests of media consumers; 	<ul style="list-style-type: none"> Competition to influence the CCA; interests and conduct of CCA members; The TRM administration is interested to maintain the same editorial policy; stereotypes of institutional culture; inefficiency of BO; Preferences of some groups of interests; CCA conduct; 	- 0.5	<ul style="list-style-type: none"> Broadcasting Code; Statements, communications and reports by competent NGOs; Mass media; Assessments by authors;

2. CONSOLIDATION OF ADMINISTRATIVE CAPACITY

Administrative reform / Administrative efficiency

Progresses:

Central Public Administration Reform (CPA) and related areas

- The first cycle of training courses aimed to boost the capacities of 7 policy analysis, monitoring and evaluation directorates has been completed; a contest has been held to select advisors in order to assist ministries to work out organisational/strategic development plans; the Academy of Public Administration advising the Moldovan president has launched a new cycle of training courses for public functionaries¹³;
- The governmental commission for the CPA reform has described the results of the implementation as satisfactory, stressing good practices of some ministries; certain reorganisations have been operated to improve the CPA work¹⁴;
- The draft law on public position and status of public functionary is almost prepared¹⁵;
- The 2007 national harmonisation plan was approved under the GD # 883 from 06.08.2007;
- The Government has studied the evolution and execution of the action plan on implementation of the 2005-09 governing programme in the first half of 2007, noting that most of tasks have been fulfilled.¹⁶

Development of information technologies (IT)

- Legal and normative acts aimed to develop the legal basis of IT and their use have been adopted, in particular, the Law # 164-XVI from 13.07.2007 concerning industrial parks; the GD # 844 from 26.07.2007 approving the concept of the integrated system of circulation of electronic documents; the GD # 916 from 06.08.2007 concerning the governmental portal concept; the GD # 969 from 23.08.2007 approving the regulation on mail system of local public authorities;
- The online business is quickly developing, while investments may be recovered easier.¹⁷

Shortcomings and problems:

- Representatives of international organisations and diplomatic corps in Chisinau signal administrative incapacities to remedy essential drawbacks of the Government.¹⁸
- The CPA reform is slowly developing: initial objectives have been ignored or eroded; attributions have not been specified and concentrated; new requirements on qualification of public functionaries (speaking foreign languages, knowing modern technologies) have not been elaborated¹⁹;
- Shortcomings of the action plan on implementation of the CPA reform strategy: simplification of the existing reporting system of the central public administration; improvement of the communication and coordination process; elaboration of the regulation on keeping of secretariat works in CPA; elaboration of the draft law on public service and status of public functionary; elaboration of the Ethic Code of public functionaries; institutionalisation of the public service employment procedure preponderantly on basis of a contest; elaboration of the draft law on central public administration; creation of an unit to control the public service at central level; building of the institution of governmental representative to administrative territorial units; elaboration of guides on recruitment, selection and promotion of public functionaries on basis of career-related merits; improvement of the motivation system; elaboration of in-depth plans (for 2007 and 2008) concerning the implementation of the CPA reform, etc.
- The problem of professional and administrative skills at level of the Executive and Legislature is not remedied, so that to ensure the accordance with community legislation²⁰;
- The administration of public finances is still a major problem: important resources are inefficiently administrated, the responsibility of CPA heads is low²¹; large funds are allocated in continuation without an adequate legal ground to cover debts of political projects, which are not priority needs, for manifestations, exaggerated or luxury administrative endowments and repairs²²; the Chamber of Auditors continues to

¹³ News of CPAR, July 2007;

¹⁴ GD # 1005 from 10.09.2007, GD # 1019 from 13.09.2007;

¹⁵ July 10, 2007 sitting of the working group;

¹⁶ GD # 1021 from 13.09.2007;

¹⁷ Interview with a SIMPALS Company representative published by BASA-press news agency;

¹⁸ Interview with the UK ambassador to Moldova: „Moldova has many defaults, in particular regarding the freedom of the media, the anti-corruption fight, creation of a working and efficient legislative body, reformation of the judiciary,” published by Logos-press on 14.09.2007; Statements by Kalman Mizsei, EU special representative, delivered during the „Punct si de la capat” broadcast on 02.10.2007;

¹⁹ Assessments by a sitting convoked by Moldovan President on 17.07.2007; Speech delivered by Deputy Speaker Iurie Rosca on 27.07.2007;

²⁰ News conference held by speaker on 26.07.2007;

²¹ Under the GD # 907 from 09.08.2007, the Ministry of Finance was obliged to suspend the access to the means unused by budget executors, and the access will be authorised under an order by prime minister only. The decision is not based on a legal ground, while the taken measures may be considered as extraordinary and at the limit of legality;

²² GD # 1015 from 12.09.2007, # 787 from 18.07.2007 (see in this respect the article „Vila presedintelui, in lumina banilor publici” (President’s villa in the light of public money) published by Ziarul de Garda on 02.08.2007), # 819 from 23.07.2007; # 812 from

signal serious violations related to management of public funds committed by CPA institutions²³; there are many obstacles to remedy problems in the area (imperfect legal base, the need of introducing a clear responsibility, punishment, etc.)²⁴;

- The confidence of citizens towards policy and efficiency of the state, central and local authorities is low (about 35-40 percent)²⁵;
- Serious deficiencies have been signalled regarding the organisation and conduct of bacalaureate examinations, issuance of acts and enrolment in institutions of higher learning; insufficient capacities of central institutions working in this area have been noticed²⁶;
- The LPA reform has stagnated, it should be accelerated and an institutional framework for certain essential components (regional development) should be created²⁷; the situation around LPA has degenerated both because of local elections and formation of new authorities, and because of the attitude of central government which sabotages the newly elected.²⁸ The good local governing is still a current problem on legislative and institutional agenda, including in Moldova's relations with international organisations.²⁹ The law on status of the Chisinau municipality was not adopted so far, being a shortcoming as regards the fulfilment of CoE recommendations.

Depoliticising of public administration

Shortcomings and problems:

- Public offices are not created in specialised central bodies of CPA to ensure the functioning of the mechanism of delimitation of political and administrative functions, though the plan on implementation of the CPA reform strategy stipulates this priority;
- Representatives of central authorities apply a disrespectful and differentiated treatment on local councillors and mayors representing the opposition, and even on electors.³⁰ Electoral competitors of non-communist political parties are intimidated³¹;
- The reformation and consolidation of administrative skills stagnate because of politicising, protection of incapable, unprofessional functionaries who enjoy political protection³²;
- The adoption of some legislative acts has raised an essential criticism of the subjects concerned, who fear that these methods aim to meet political interests and to take revenge³³;
- The Government intervenes via abusive regulations in management and subordination of the patrimony administrated by local authorities³⁴;
- The appointment of employees of institutions created after some legal modifications has produced controversial debates, accusations of favouritism and promotion of some persons on basis of personal relations³⁵;
- Abusive political decisions by former local authorities have been contested in law courts, which decided the reinstatement of many functionaries, including the compensation of pecuniary and non-pecuniary damages from local budgets³⁶;

23.07.2007; # 760 from 02.07.2007; # 1070 from 28.09.2007; # 942 from 20.08.2007; # 921 from 13.08.2007; # 913 from 10.08.2007;

²³ Decisions by the Chamber of Auditors published in July-September 2007 (#21, 28, 35, 37, 56, 57, 61-63, etc.); the PD # 167 from 13.07.2007 concerning the report by the Chamber of Auditors on management of public funds (2006);

²⁴ Interview with CA chairperson published by Logos Press on 21.09.2007;

²⁵ Surveys „Republic of Moldova 2007: State of the country and people”; BSP (Omnimas) August 2007; „Quarterly Socio-Political Study”, Omnibus Service CBS AXA, September 2007, etc.;

²⁶ Indications given by prime minister at the August 3, 2007 sitting;

²⁷ Presidential sitting on implementation of the regional development law;

²⁸ Speeches delivered by Deputies Iurie Rosca and S. Urechean at the July 27, 2007 parliamentary sitting;

²⁹ Interview with the special representative of the CoE secretary published by IPN (Info-Prim Neo) on 26.07.2007;

³⁰ Speeches delivered by Deputies Iurie Rosca and S. Urechean at the July 27, 2007 parliamentary sitting; Statements delivered by Moldovan President during a NIT broadcast (20.07.2007), Statements delivered by Moldovan President at a news conference on 25.07.2007; the 23.07.2007 issue of Timpul newspaper;

³¹ Interpellation raised by Gh. Susarenco at the July 12, 2007 parliamentary sitting regarding the mayoral elections in the Larga village, the Briceni district;

³² Interview with Valeriu Lazar published by Analitique journal on 08.09.2007;

³³ The Law # 192-XVI from 26.07.2007 awarded the exclusive right to the Ministry of Health to appoint heads of health institutions, including territorial facilities founded by LPA authorities. The opposition and representatives of this system fear that these changes may be used to persecute directors who supported non-communist parties (the 26.07.2007 issue of the Timpul newspaper);

³⁴ The GD # 761 from 02.07.2007 obliges the Ministry of Culture and Tourism to take measures in order to transmit a building founded by the Chisinau Municipal Council to the economic management of an enterprise created by the executive (Satul Moldovenesc Buciumul);

³⁵ When candidacies of members of the Board of Managers of the National Commission of Financial Market (PD # 175-XVI from 20.07.2007) were examined, the speaker was accused of protecting persons promoted to the administration of this structure, but this claim was not grounded enough;

³⁶ Functionaries subordinated to the Chisinau Municipal Council have been reinstated (V. Martiniuc, V. Nemerenco; M. Furtuna, V. Sarban, V. Modirca, Gh. Raileanu, and others had been earlier reinstated);

- Authorities award subsidies to agricultural producers inclusively on basis of political criteria and clientele interests³⁷;
- The ruling party has plans to strengthen the control on central and local bodies, as well as on its representatives to these bodies³⁸;
- The implementation of the Broadcasting Code by the electronic media watchdog CCA was marked by political influences and grave legal deficiencies have been observed.³⁹

Interference of administrative and economic interests

Progresses:

- The Republic of Moldova has climbed 11 places in the „Doing Business 2008” top, achieving progresses regarding the reduction of fiscal taxation, registration of property, execution of contracts, settlement of civil litigations, reduction of the cost of licences;⁴⁰
- According to estimates by entrepreneurs, the doing business cost in Moldova has decreased.

Shortcomings and problems:

- The employment rate has worsened, building licences still are expensive (according to the „Doing Business 2008” top);
- The process of privatisation of state enterprises through enforcement of the law on management and privatisation of public property is very late and it is stagnating⁴¹;
- Decisions by former authorities of the capital aimed at making political propaganda have affected the financial condition of some important municipal thermo-electric enterprises⁴²;
- The newly-elected municipal authorities face serious deficiencies because of unreasonable and abusive administration of resources by predecessors (implementation of projects without resources, large debit debts, legally unjustified and non-argued actions, etc.)⁴³;
- Although it has promised a decisive participation in domestic trade and contests for construction of a supermarket network, the Government did not contribute in fact to the further implementation, proposing the winners of the contest and authorities to negotiate the attribution of fields and the financial conditions.⁴⁴

Stability of governing policy

Progresses:

- Debts toward the consolidated state budget are being amnestied; debts in the amount of more than 3 billion lei have been annulled. Debts toward local budgets (particularly in the Administrative Territorial Unit Gagauzia) are being annulled⁴⁵;
- The Government has approved the medium-term expense framework (2008-2010), which stipulates a more moderated rise of public expenditures and a better use of existing resources⁴⁶;
- The death rate of new-borns is on the decline⁴⁷;
- The number of active population has increased in the 2nd quarter of 2007⁴⁸;
- The Government has made a decision aimed to help enforcing the law on administration and privatisation of public property (the list of goods on privatisation, the regulation on use of the funds raised from privatisation have been approved).⁴⁹

Shortcomings and problems:

³⁷ Statements delivered by IDIS Viitorul experts during public debates;

³⁸ The July 7, 2007 decision by the 11th plenary of the PCRM CC, articles 7-8;

³⁹ The September 12, 2007 news conference on the Broadcasting Code Implementation Monitoring Study;

⁴⁰ The Doing Business Study worked out with the support of the World Bank and International Financial Corporation;

⁴¹ Accordingly to the GD # 113 from 03.02.2007, the process should begin in the 1st quarter of 2007;

⁴² Municipal councillors are concerned with the high and unjustified tariff, press release by IPN news agency, 04.07.2007;

⁴³ Report by the General Finance Directorate released at the July 4, 2007 Chisinau City Hall working sitting;

⁴⁴ GD # 1051 from 25.09.2007;

⁴⁵ News conference held by STI on 09.08.2007;

⁴⁶ GD # 756 from 02.07.2007;

⁴⁷ Report by the Ministry of Health released at the October 11, 2007 conference Drug and Life;

⁴⁸ NBS data, www.statistica.md;

⁴⁹ GD # 945 from 20.08.2007;

- International surveys rank the Republic of Moldova among countries with a very high crediting risk (The Economist Intelligence Unit⁵⁰) and a low economic freedom (the economic freedom top by the Fraser Institute Economic Freedom of the World⁵¹). Moldova is also regarded as a country with an imperfect democracy (the Democracy in the World Study⁵²);
- According to statistics, Moldova has the lowest birth rate in Europe⁵³;
- The state continues to intervene in order to revise the results of former privatisations, without recovering the real investments of owners; litigations in the area are on the rise, there are more than 300 cases which national law courts have settled or are settling.⁵⁴ The plaintiffs call upon international judiciary in order to reinstate their rights⁵⁵;
- Terms for enforcement and implementation of some legal acts are essentially extended:
 - **Law on modification and completion of the law concerning basic entrepreneurship regulatory principles** (the execution term was extended until November 30, 2007);
 - **Law on extension of the term for adjustment of endowments of private educational institutions to requirements of the education law** (the introduction of these requirements in 2003 has produced protests and the term was earlier extended more than one, and the present suspension is also motivated with the "improvement of the draft Education Code);
 - **Law extending the term for formation of the judicial police** (the term for creation of the judicial police controlled by the Ministry of Justice was extended much, until 2010, for financial-material reasons).
 - **Law on modification of the law on electricity**. The term for liberalisation of electricity prices was postponed until 2015. This is the third law postponing the liberalisation adopted in 2003-2007.⁵⁶
- The enrolment in institutions of higher education has challenged again serious deficiencies and dissatisfaction of candidates: many seats including financed by state have not been demanded after the first enrolment round; preferences of candidates do not coincide with Government's decisions.⁵⁷ There were many attempts to intimidate the students who try to earn their existence by participating in international programmes⁵⁸;
- Surveys still signal an increasing distrust of population towards government (below 50 percent)⁵⁹;
- Under the Law # 177-XVI from 20.07.2007, regulations on legalisation of capital have been essentially modified, some guarantees have been excluded and interdictions to divulge information have been annulled.⁶⁰

Governing probity and transparency / Anti-corruption fight

Progresses:

- The implementation of the national strategy on prevention and combat of corruption is periodically studied, achievements and shortcomings are established, measures and fields of intervention are chosen⁶¹;
- Relevant legal and normative acts on this field are adopted, in particular:
 - Law # 190-XVI from 26.07.2007 on prevention and combat of money laundering and financing of terrorism;
 - Law # 165-XVI from 13.07.2007 on ratification of the CoE Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism;
 - Law # 158-XVI from 06.07.2007 on ratification of the United Nations Convention against Corruption;
 - Law # 157-XVI on ratification of the Additional Protocol to the Criminal Law Convention on Corruption;
 - Law on status of information officer (it did not enter into force so far);
 - Law # 177 from 20.07.2007 on modification and completion of some legislative acts (specifying of regulations on legalisation of capital);

⁵⁰ www.eiu.com; www.freetheworld.com;

⁵¹ www.freetheworld.com;

⁵² The Economist, www.economist.com;

⁵³ According to reports released by NBS at an international seminar, 100 women of reproductive age in Moldova give birth to 120 children only (every fourth child is illegitimate), while 210 children should be born for the simple reproduction of population.

⁵⁴ The July 24, 2007 issue of the Nezaivismaya Moldova newspaper regarding statements delivered by Moldovan President to the NIT TV channel (20.07.2007);

⁵⁵ Article „Piatra de Cosauti va ajunge la CEDO” (Cosauti Stone will appeal to ECHR) published on 25.07.2007;

⁵⁶ Many pro-liberalisation arguments have been tabled when this draft law was discussed (13.07.2007, 19.0.2007), but the Government and the parliamentary majority insisted on a considerable postponement of the term;

⁵⁷ The speaker has told a meeting with rectors that the governmental decision which limited the number of seats for certain faculties was unsuccessful and it limits the capacity of institutions to develop;

⁵⁸ Communications on possibility to send down thousands of students who called on the Work and Travel Programme;

⁵⁹ „Quarterly Socio-Political Study”, Omnibus CBS AXA Service, September 2007;

⁶⁰ Modifications under the Law # 177-XVI from 20.07.2007;

⁶¹ GD # 894 from 07.08.2007;

- GD # 1013 from 12.09.2007 approving the action plan on ensuring the right to petitioning, information and access to justice.
- A series of relevant draft legislative and normative acts have been elaborated but their adoption and enforcement are late:
 - Draft law on state protection of the harmed party, witnesses and other persons assisting trials (new versions), delivered to the Government on 24.08.2007;
 - Draft laws on modification and completion of some legislative acts concerning punishment of judges under criminal charges, adjustment of legislation to recommendations by CoE experts⁶²; enhancing the transparency of the SCM activity, mandatory publishing of property declarations of judges, justification of origin of their revenues and property⁶³; ensuring the transparency of judgments and proceedings⁶⁴;
- Law enforcement bodies continue to investigate and discover new corruption-related cases⁶⁵;
- Specific actions implemented by authorities include among others the analysis of corruptibility of draft legislative acts and normative acts of the Government, activities held by CSECC accordingly to a special methodology (the surveys are published on the CSECC website);
- The Prosecutor's Office has contested acts by Chisinau local authorities, saying that they unfit the legislation on various fields.⁶⁶

Shortcomings and problems:

Governing probity and transparency

- Authorities did not take essential measures to boost the institutional and decision-making transparency, and the obscurity persists; legislative, normative and institutional modifications aimed to increase the access to public information, decision-making transparency are obstructed.⁶⁷ Surveys by specialised organisations signal that the legislation on access to public information is violated at central and local level, while orders by high-ranking dignitaries aimed to ensure the access to information are normal, they are not executed and nobody is punished⁶⁸;
- The proposal by a private mass media institution to broadcast live the parliamentary sittings is obstructed by parliamentary majority and speaker⁶⁹; draft governmental decisions are unavailable online and they are not published for debates⁷⁰;
- Local surveys reveal a quite corruption rate, this being one of the main problems faced by society⁷¹;
- The promotion of some decisions introducing additional benefits for certain groups of public dignitaries obstructs the governing probity.⁷² Highest-ranking officials blame former governments for ECHR judgments against Moldova,⁷³ while a fair examination of cases reveals that the number of violations linked to abuses by state bodies has grown in 2001-07 (the ECHR has passed about 70 out of over 80 sentences after 2001);
- Some projects have been launched and implemented without adequate consultations with population and the subjects concerned, and this fact produces serious dissatisfaction and conflicts⁷⁴; ongoing works have not been prepared and contracted transparently, with respect for legislation, situations that harden their continuous implementation⁷⁵;
- According to experts, authorities intimidate the persons who report violations to the media, and no progress was observed regarding the transparency of state institutions, management and distribution of public funds⁷⁶;
- Activity of certain high-ranking functionaries is abusive and thus the budget suffers serious losses and public institutions are affected.⁷⁷

⁶² The Government has approved this draft (GD # 474 from 28 April 2007), but it was established that a new CoE expertise is needed;

⁶³ The Government examined the draft on 19.09.2007;

⁶⁴ The Government examined the draft on 19.09.2007;

⁶⁵ Investigation of the cases concerning mayors of the village of Clisova, the district of Orhei; the village of Zolotievca, the district of Anenii-Noi; former mayor of the Stauceni commune, the Chisinau municipality;

⁶⁶ Accordingly to a communication presented at the October 6, 2007 sitting of the Municipal Council, 45 acts have been contested in 8 months of 2007;

⁶⁷ The draft law on decision-making transparency was not delivered to the Parliament so far;

⁶⁸ Interview with lawyer V. Pantiru published by Timpul newspaper;

⁶⁹ The radio channel Vocea Basarabiei has declared its readiness and obtained the technical conditions, but the Parliament leadership did not give green light to the request, invoking ambiguous reasons;

⁷⁰ www.gov.md;

⁷¹ IMAS-INC „Perception and attitude towards corruption in the Republic of Moldova”; BSP (Omnimas), August 2007; „Quarterly Socio-Political Study”, September 2007, CBS AXA;

⁷² PD # 183-XVI from 20.07.2007; article „La cel sarac si... deputatii i lacomi”, Timpul newspaper, 23.07.2007;

⁷³ Statement delivered by Moldovan President at a July 25, 2007 news conference, press release by IPN news agency, 26.07.2007;

⁷⁴ The construction of the Giurgiulesti-Cahul railway has challenged serious problems to residents from neighbourhood, the Government proposes derisory compensations, BBC reportage, 27.07.2007;

⁷⁵ Article „Afacerea Ursu-Tarlev din Valea Morilor (II)” published by Timpul newspaper on 17.07.2007;

⁷⁶ Reports by the conference „Impact of the media on anti-corruption struggle”, 27.07.2007;

Combating corruption

- Independent international surveys signal a higher corruption rate in Moldova and a higher corruption perception by population⁷⁸;
- Representatives of international organisations and diplomatic corps in Chisinau remark the corruption among essential shortcomings of the Government⁷⁹;
- The plenary and in the due time enforcement of some provisions of action plans on implementation of the Anti-Corruption Strategy and EUMAP is not ensured. Thus, there is a lack of information regarding the revision of Article 123 of the Criminal Code with the view to strictly identify the status of public functionary (the draft was not delivered to the parliament in the due time); the delivery to the Parliament of the draft law on verification of public functionaries and candidates to public positions; elaboration of the draft law on modification of legislation in order to establish alternatives for penal punishments received for violation of legislation on prevention and combat of illicit revenues; elaboration of an adequate normative framework to create the Fiscal Cadastre; creation and implementation of internal administrative control mechanisms and their monitoring by the Ministry of Local Public Administration (the lack of essential progress was also linked to the general local elections); selection and training of instructors in district councils to implement programmes on studying of norms regulating the activity of LPA employees and their responsibility for corruption; the anti-corruption information strategy was not worked out and implemented; although the “annual budgets of CSECC should be published in details,”⁸⁰ a succinct scheme only is available on the CSECC website;
- The implementation of the anti-corruption strategy by public authorities is difficult, and additional efforts are required⁸¹ to discover and register corruption among high-ranking functionaries; to evaluate the institutional corruption risk; to rally LPA authorities in prevention and struggle against corruption; to build and apply internal administrative control mechanisms in LPA; to ensure the transparency of the anti-corruption fights, etc.

⁷⁷ The Ministry of Education and Youth has liquidated the legal service, though the GD # 1714 from 27.12.2002 obliged it to keep this service as a distinct subdivision. Court rulings oblige the ministry to pay large sums for illegal dismissal of employees and non-pecuniary damages;

⁷⁸ The 2007 corruption perception indicator by Transparency International, www.transparency.org;

⁷⁹ Statements delivered by Kalman Mizsei, EU special representative, on 02.10.2007 during the „Punct si de la capat” broadcast: „On the other hand, we observe great opportunities – even on a short term – to improve the situation regarding corruption ...”; „... the unsettled issues or failures related to the Action Plan, which I would recapitulate: functioning of the state, its democratic image, as well as efficient governing issues, especially regarding corruption...”; Interview with the UL Ambassador to Moldova: „Moldova has many drawbacks, particularly regarding the freedom of the media, the anti-corruption fight,” published by Logos-Press;

⁸⁰ The formulation “Detailed publishing of budgets” is ambiguous, it should specify and make clear the information that should be published on the CSECC website;

⁸¹ According to the GD # 894 from 07.08.2007;

Monitoring grid 2. Consolidation of administrative capacity

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Administrative reform and Administrative efficiency / Stability of governing policy	<ul style="list-style-type: none"> CPA functionaries are being trained; Certain internal and general reorganisations were performed; The national harmonisation action plan for 2007 was approved; The CPA reform is slowly developing; The LPA reform stagnates; The legislative and normative base of IT is improving, the online business is developing; Surveys reveal a low confidence toward authorities; Policy drafting and analysing skills are being strengthened; 	<ul style="list-style-type: none"> Functionaries are prepared better, they study necessary fields in order to improve their work; Majority of planned actions are implemented or being implemented, but a series of important measures do not produce the expected results, initial goals are not accomplished; Previous laws on LPA are not enforced, the new law on status of the Chisinau municipality is not adopted; The management of public funds is still faulty; The concept of integrated system of circulation of electronic documents, the governmental portal concept, the mail system of public authorities have been approved and are being implemented; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Activity of CPA reform coordinating unit; International assistance and monitoring; Stable socio-political situation; Favourable external condition of Moldova; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Lack of adequate resources; Delayed measures stipulated by action plans; Important laws are not adopted and enforced; Lack of a clear concept of LPA reform; The enforcement of laws on decentralisation and regional development stagnates; Differentiated treatment towards LPA authorities after elections; Lack of skills and experience in new local administrations; 	+0.5	<ul style="list-style-type: none"> Moldovan legislation; News of the CPA reform; Reports on implementation of governmental plans and strategies; Reports by international institutions; Mass media; Statements by representatives of diplomatic corps, community institutions.
	<ul style="list-style-type: none"> Tasks from governing programme are being fulfilled; the national economy is growing; The MTEF (2006-2008) is approved; Moldova is rated a country with a very high crediting risk and a low economic freedom; The state intervenes to revise previous privatisation; Terms for enforcement of important regulations are extended; The legislation on legalisation of capital is modified; 	<ul style="list-style-type: none"> Important strategic projects (NDP) are being worked out, ongoing programmes continue; Debts towards budget are being amnestied; The law on management and privatisation of public property is being implemented; The number of economically active population has increased; The effect of return of property is reduced, the affected persons appeal to the international justice; Guarantees are excluded and divulgation restrictions are annulled; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Foreign assistance; Consistency, analysis of implementation of some reforms; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Strategic and sectoral planning is inadequate; Implementation of some laws is protracted; Attempts to revise the privatisation strongly affect the stability and confidence of population; 	0	
Depoliticising of public administration / Interference	<ul style="list-style-type: none"> There are no measures to depoliticise functions and functionaries, political control is strengthening; Abusive political decisions by former authorities affect new local public authorities; 	<ul style="list-style-type: none"> The independence of functionaries from public influence is low; Politically affiliated functionaries are protected more regardless of professional skills; The political and abusive nature of some dismissals in LPA was confirmed; Stability of offices is not guaranteed; 	<p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Interests of the ruling political party; Stagnation of some components of the CPA Reform; The new law on public service is not adopted, the depoliticising principle is not promoted at central and local levels; Employment in public service is not based on contests; The Government intervenes via abusive decisions on LPA sectors; Measures stipulated by the CPA Reform Strategy are not implemented; 	-0.5	<ul style="list-style-type: none"> Moldovan legislation; Records of plenary sittings of the Parliament; News of the CPA reform; Statements by political parties and local councillors; Mass media; Decisions by the Chamber of Auditors.

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Economic-administrative and political interests	<ul style="list-style-type: none"> The doing business cost has decreased; The Competition Protection Agency has started working; The law on legalisation of capital is hardly enforced, it was modified much; The term of the "Guillotine 2" was extended; 	<ul style="list-style-type: none"> The business climate has improved, the business regulation costs have decreased; The process of privatisation of public property stagnates; The management of public property is faulty and without a major economic efficiency; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Cooperation between authorities and businessmen; Regulatory reform; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Politicians still are interested in doing business; Previous decisions based on political reasons affect the economic interests of new local administrations; A law on conflict of interests is not adopted; Abusive interventions by control bodies; 	+ 1	
Governing probity and transparency	<ul style="list-style-type: none"> The Court of Auditors continues to signal grave deficiencies regarding management of state funds and property; The access to public information and transparency are limited in continuation; The web transparency is not ensured; The legislation on legalisation of capital is modified without preliminary public debates; 	<ul style="list-style-type: none"> The new Ethic Code of public functionary is not adopted; The live broadcasting of parliamentary sitting is obstructed; The information is especially provided at demand, through an active method; Websites of public authorities are not updated, the information is filtered; 	<p><i>Discouraging:</i></p> <ul style="list-style-type: none"> The public media is still affiliated to interests of the governance; Transparency and cooperation between authorities and mass media is still problematical, functionaries in charge with public information does not ensure an adequate information; The access to legal information is still difficult (on the Internet only), costs of Monitorul Oficial and databases are exaggerated in continuation; Promotion of the draft law on decision-making transparency is obstructed in continuation; 	- 0.5	<ul style="list-style-type: none"> Moldovan legislation; Reports by international institutions; Web resources; Surveys; Mass media.
Combat of corruption	<ul style="list-style-type: none"> The National Anti-Corruption Strategy is implemented; Relevant legislative and normative acts are adopted; International surveys signal a higher corruption perception in Moldova; The anti-corruption fight is still a serious shortcoming; 	<ul style="list-style-type: none"> Actions aimed at implementing the strategy are taken, but many actions are not finished; Cooperation in the area between authorities and associative sector goes on; Many corruption-related cases are investigated; Endowment, training problems are resolved with international assistance; The anti-corruption expertise of legislative and normative acts is adequately implemented; LPA is not seriously involved in implementation of the strategy and related measures; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Monitoring by international organisations and foreign assistance programmes; Internal monitoring; Work of specialised bodies, more efforts against corruption; Work of specialised NGOs; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Delayed actions; The legislation on declaration and control of revenues was not improved; Absence of sounding cases involving persons affiliated to the government; A new anti-corruption law is not adopted; Sounding cases failed, many cases end with symbolic sentences; There are little cases of corruption at high level; statements and reports on abuses and breaches do not have essential results 	- 0.5	<ul style="list-style-type: none"> Moldovan legislation; Statements by representatives of diplomatic corps, community institutions; Reports on activity of CSECC, Prosecutor's Office; Independent surveys; Surveys; Mass media.

3. TRANSNISTRIAN CONFLICT

„Five-Plus-Two” political negotiations

In spite of many efforts of mediators and observers to restart the “Five-Plus-Two” political negotiations, the talks have not been resumed in the period concerned. A new round of separate consultations of mediators and observers took place in Chisinau and Tiraspol between July 31 and August 1, but they failed a consensus on resumption of political negotiations. Moldova has raised several appeals, particularly upon the EU, in a move to ensure the transparency of the process aimed at identifying a mechanism to restart the negotiations. Moldova’s minister of reintegration has sent an open letter to participants in the “Five-Plus-Two” format, seeking additional efforts to restart the negotiations and warning over possible negative consequences of the lack of a political dialogue between the two parties.

The Chisinau authorities have continued the consultations with mediators and observers regarding the so-called “package of Moldovan proposals” on the Transnistrian conflict. Moldovan authorities told civil society representatives at informal meetings the basic principles of the Moldovan proposals and consultations on these initiatives between participants in the negotiation process.

EU – Moldova political dialogue on Transnistrian problem

Moldova continued relying on the EU support regarding the resumption of the “Five-Plus-Two” political negotiations. The EU – Moldova political dialogue on the Transnistrian conflict has particularly developed via the EU special representative to Moldova, Kalman Mizsei, who visited Chisinau and Tiraspol in the period concerned. Also, the Transnistrian problem was tackled at bilateral meetings between Moldovan authorities and officials of EU member states, as well as at an EU-Moldova informal meeting that Moldova organised in Brussels on August 24.

EU diplomatic and political assistance

The Transnistrian problem was part of agenda of the September 14 Kiev EU-Ukraine summit. EU and Ukrainian high-ranking officials reiterated the commitment to continue the constructive cooperation in order to find a lasting, comprehensive and fair solution to the Transnistrian conflict. They noticed the importance of the single customs regime implemented at the Moldovan-Ukrainian border, in compliance with the December 30, 2006 Joint Declaration, as well as the efficiency of the EU Border Assistance Mission to Moldova and Ukraine, which is an eloquent example of successful and reciprocal cooperation between EU and Ukraine.⁸²

The European Parliament adopted a resolution on July 12, 2007 concerning violation of human rights in the Transnistrian region.⁸³ The resolution notices a lamentable situation regarding human rights in the Transnistrian region and “deplores the lack of human rights and human dignity in Transnistria, negligence of freedoms of population from the region, ignorance of the right to access to information and education, which proliferates the trafficking in human beings and organised crime.” The high European forum condemns the repressions, harassment and intimidation of independent mass media, NGOs and civil society by the separatist Transnistrian regime. The European Parliament reiterates the EU commitment to help settling the Transnistrian conflict and calls for a more active EU participation, inclusively by modifying the EU status from observer into mediator of the political negotiations on this conflict from the EU neighbourhood.

Russia’s Istanbul commitments

The European Parliament urged Russia in the July 12, 2007 Resolution to respect immediately and completely the commitments assumed in Istanbul in 1999 and in Porto in 2002 and invited the EU to raise the problem of withdrawal of Russian troops from the Transnistrian region within the bilateral dialogue with Russia.

During a meeting with Prime Minister Vasile Tarlev, Deputy Assistant of U.S. State Secretary David Kramer has called for replacement of the present peacekeeping operation with a multinational contingent and for the unconditional fulfilment of the Istanbul commitments by Russia. The American high-ranking diplomat reconfirmed Washington’s support for Moldova’s efforts aimed at the Transnistria settlement.

⁸² Joint statement, the EU-Ukraine Summit, the EU Council, 14.09.07;

⁸³ The European Parliament Resolution on violation of human rights in Transnistria (Republic of Moldova), PG_TA(2007)0358, 12.07.07, www.europarl.europa.eu;

The Ministry of Foreign Affairs and European Integration (MFAEI) has released a statement raising regret with Russia's unilateral decision to suspend its participation in the Conventional Forces in Europe (CFE) Treaty. According to the statement, Moldova reaffirms its attachment to the CFE Treaty, which it regards as a cornerstone of European security. At the same time, the statement reiterates Moldova's stance of principle regarding the ratification of the Adapted CFE Treaty only after the complete withdrawal of Russian armed forces from Moldova, in line with the decisions by the (1999) Istanbul OSCE Summit and Russia's commitments assumed at that summit.

Securing the Moldovan-Ukrainian border

The EU Border Assistance Mission (EUBAM) to Moldova and Ukraine continued its successful work and contributed to the Transnistria settlement process by ensuring an efficient control at the Moldovan-Ukrainian border, including the Transnistrian segment. Besides activities aimed at strengthening the capacity of customs and border guard bodies of the two countries, technical assistance and assistance for improving the transborder cooperation and collaboration between agencies, the Mission continued in June-August to ensure the application of the December 30, 2006 Joint Declaration by Moldovan and Ukrainian prime ministers and of Moldovan normative acts concerning foreign trade activity of Transnistria-based economic agents. Thus, the EUBAM monitoring and expertise had a substantial contribution to establishing and applying the mechanism on basis of which Transnistrian economic agents have access to the EU trade preferences, stimulating this way the legal foreign commerce in line with Moldova's international commitments.⁸⁴ According to a communication by the Ministry of Reintegration, the State Registration Chamber of Moldova certified 86 Transnistrian economic agents for a provisory term and another 21 for a permanent term in January-August 2007. Thus, 355 Transnistria-based economic agents have been registered in Chisinau until now. These data reveal that in spite of the Transnistrian official propaganda, economic agents from the breakaway enclave operate normally and even more, continue to extend their commercial activity to new market, particularly to European markets.

Participation of civil society

NGOs from both banks of the Dniester River have held summer schools with the financial support of foreign donors in the period concerned. The summer schools Active and Participatory Youths and About Foreign Policy on the Dniester Bank, held by the Promo-Lex Association and the Association for Foreign Policy, aimed to contribute to a better knowledge and mutual understanding between youths from the two banks. These activities are important to establish "bridges" over the Dniester and to train young leaders who would be free of stereotypes and prejudices. These meetings served as an informal framework for exchanges of opinions between civil society representatives and decision makers, contributing to building a joint stance of the Government and civil society regarding ways to settle the Transnistrian conflict.

⁸⁴ Summary of the June-August 2007 report on EUBAM work, 26.09.07, www.eubam.org;

Monitoring grid 3. Transnistrian conflict

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Political negotiations ("5+2" format)	<ul style="list-style-type: none"> Moldova, mediators and observers work hard to restart the negotiations; The Ministry of Reintegration published an open letter seeking the resumption of the "Five-Plus-Two" negotiations; Moldova continued consultations with mediators and observers regarding the package of Transnistria settlement proposals. 	<ul style="list-style-type: none"> "Five-Plus-Two" political negotiations are blocked in continuation. 	<ul style="list-style-type: none"> U.S. and EU diplomatic mediation; Electoral periods in Russia and Ukraine. 	0	<ul style="list-style-type: none"> News agencies Infotag, Moldpres, Novy Region.
EU-Moldova cooperation	<ul style="list-style-type: none"> EU-Moldova dialogue develops via the EU Special Representative and officials of EU member states at bilateral level. 	<ul style="list-style-type: none"> EU political and diplomatic support, underlining of a joint EU-Moldova stance on a series of Transnistrian settlement aspects. 	<ul style="list-style-type: none"> European Neighbourhood Policy, activity of the EU Special Representative to Moldova, Moldova's supported diplomatic approaches. 	0	<ul style="list-style-type: none"> News agencies Infotag, Novy Region, Moldpres, EU website.
EU diplomatic and political assistance	<ul style="list-style-type: none"> EU tackles the Transnistrian problem at the EU-Ukraine Summit; The European Parliament adopts a resolution on violation of human rights in Transnistria ; 	<ul style="list-style-type: none"> Elaboration of a joint approach EU and Ukraine regarding the Transnistrian case; EU political and diplomatic support for Transnistrian settlement efforts. 	<ul style="list-style-type: none"> European Neighbourhood Policy, activity of the EU Special Representative to Moldova, Moldova's supported diplomatic approaches. 	+ 1	<ul style="list-style-type: none"> EU website.
Russia's Istanbul commitments	<ul style="list-style-type: none"> NATO member states continue to condition the ratification of CFE with Russia's respect for Istanbul commitments; MFAEI launched a statement reaffirming the conditioning of the ratification of the Adapted CFE Treaty with withdrawal of Russian troops and munitions from Transnistria. 	<ul style="list-style-type: none"> Clear alignment of Moldova's stance regarding ratification of the Adapted CFE Treaty to the standpoint of NATO member states; 	<ul style="list-style-type: none"> U.S. and EU support; transformation of the peacekeeping mission in Transnistria into a civil observance mission. 	0	<ul style="list-style-type: none"> EU, OSCE, MFAEI websites.
Securing the Moldovan-Ukrainian border	<ul style="list-style-type: none"> Continuous progress of the EUMAP mandate; 355 Transnistrian companies registered themselves in Moldova, Transnistrian exports to the EU are on the rise; 	<ul style="list-style-type: none"> Continuous securing of the border, combat of smuggling at the Moldovan-Ukrainian border, legalisation of export-import operations; EUBAM helps establishing and applying the mechanism on basis of which Transnistrian companies have access to the European trade preferences; 	<ul style="list-style-type: none"> EU and U.S. support; Cooperation of Ukrainian Government and its respect for the joint customs regime with Moldova. 	+ 2	<ul style="list-style-type: none"> EUBAM, Moldpres, Novy Region. Ministry of Reintegration.
Participation of civil society	<ul style="list-style-type: none"> NGOs from both banks of the Dniester River hold a series of events. 	<ul style="list-style-type: none"> Building "bridges" over the Dniester, consolidation of confidence; Underling of a joint stance of civil society organisations and Government toward Transnistrian conflict. 	<ul style="list-style-type: none"> Financial support of international development agencies; Depoliticising of civil society organisations; Opening of authorities for dialogue with civil society. 	+ 1	<ul style="list-style-type: none"> "Civic Forum"

4. JUSTICE

Capacity of imposing respect for law / Status and independence of judges and prosecutors / Transparency

Progresses:

- A certain growth of the number and quality of judging civil cases by courts of all levels,⁸⁵ including economic law courts; the share of annulled judgments has declined by 1-3 percent;
- The number of civil and criminal cases examined by SCJ has grown, the number of cases examined by the SCJ Economic College has declined⁸⁶;
- Legislative and normative acts on this area have been adopted⁸⁷;
- Sounding cases have been settled, with persons facing untested charges being released from detention; representatives of diplomatic corps welcomed such judgments⁸⁸;
- Activities aimed to work out a new concept of Moldovan legislation on Prosecutor's Office take place with the support of CoE and European Commission.⁸⁹ The activity of the prosecutor's office is improving (the number of offences has declined, the number of controls held to represent the general interests of society, protect the law, rights and freedoms of citizens has increased; the number of settled criminal cases has grown)⁹⁰;
- International institutions including community have welcomed the legal progress in the field, but warned over the need of adequately implementing the new regulations and procedures.⁹¹

Shortcomings and problems

- Representatives of international institutions continue to raise concerns with access, quality and independence of the judiciary, independence of the prosecutor's office in Moldova⁹²;
- The solutions by law courts confirm the political nature of some previous cases and sentences⁹³;
- Judges and prosecutors still face serious pressures, this sector is affected by political factors, foreign influences are observed as regards the examination of cases, appointment and promotion of judges⁹⁴;
- Quality of judging of criminal cases is still unsatisfactory, the general indicator of cassation of sentences by all courts is over 16 percent; the number of civil cases has grown, the number of unexamined cases is relatively high⁹⁵;
- There are shortcomings in the priority action plan on implementation of EUMAP in 2007⁹⁶: adoption of necessary amendments to the legal framework, in order to guarantee well-done and limited competences of the Prosecutor-General; creation of the SCJ website (it should function starting March 2007); publication of reports on selection and employment of judges (not only of candidates to NIJ, but also promotions/changes in courts) on websites; elaboration of the annex to the law on judicial organisation, which would establish the number of members of every law court and court of appeal (express establishing of the number of administrative personnel);
- The state does not exercise the right to regress accordingly to the law on Governmental Agent, motivating with impossibility of retroactively applying the law⁹⁷;
- On 17.10.2007, the CoE Parliamentary Assembly subcommittee for election of judges to ECHR turned down the list of candidates proposed by Moldova, a situation which affects the image of the country, but authorities preferred not to comment⁹⁸;

⁸⁵ Report on work of law courts in the first half of 2007, SCJ newsletter # 8, 2007;

⁸⁶ Decision # 12 from 06.07.2007 by SCJ Plenary concerning the making justice in the first half of 2007;

⁸⁷ Law # 198-XVI from 26.07.2007 concerning state-guaranteed legal assistance; Law # 185-XVI from 26.07.2007 concerning modification and completion of the law on Superior Council of Magistracy (creation of the legal inspection); Parliament Decision # 174 from 19.07.2007 approving the judiciary consolidation strategy and the action plan on implementation of the strategy; Government Decisions # 776 from 03.07.2007 approving the concept of legal information system for 2007-2008; # 824 from 23.07.2007 approving the concept of automatic information system called register of infrastructure of law bodies; 959 from 22.08.2007 approving the action plan on implementation of the 2006-09 joint programme of the European Commission and Council of Europe aimed at boosting the independence, transparency and efficiency of the judiciary in Moldova; # 1013 from 12.09.2007 approving the action plan on ensuring respect for the right to petition, information and access to justice;

⁸⁸ Evolution of the Pasat case, statement by U.S. Ambassador to Moldova (DTV channel); statement by the co-chairperson of the EU-Moldova Parliamentary Cooperation Committee, Marianne Mikko, 11.07.2007;

⁸⁹ Meeting of the working group, 26-27 July 2007;

⁹⁰ Communication by the press service of the Prosecutor-General's Office regarding aspects of activity of the Prosecutor's Office in the first half of 2007;

⁹¹ The Moldova-EU meeting at level of experts in the field of judicial reform and anti-corruption fight, September 2007;

⁹² Interview with Vladimir Ristovski, special representative of the CoE Secretary-General, published by Info-Prim Neo news agency on 26.07.2007;

⁹³ Statements delivered by lawyer of Valeriu Pasat after the Court of Appeal has released his client (BBC channel, 09.07.2007); Commentaries on this topic by Moldovan personalities (Timpul newspaper, 10.07.2007);

⁹⁴ Interview with lawyer A. Tanase published by Analitique on 25.07.2007;

⁹⁵ Report on work of law courts in the first half of 2007, SCJ newsletter # 8, 2007;

⁹⁶ Under GD # 113 from 03.02.2007;

⁹⁷ The problem of punishment is controversial, experts in the field think differently, many consider that the procedures are difficult and it is hard to demonstrate the guilt of the persons involved;

- High-ranking functionaries do not ensure the execution of judgments in effect⁹⁹;
- In spite of stipulations of certain action plans, reports on evaluation of access of citizens to legal information (accessibility of Monitorul Oficial, websites, publication of excerpts from ECHR judgments, accessibility of qualified legal services, reference publications) and reports on meetings dedicated to transparency of the judiciary (relevant European norms and standards) are not made public.¹⁰⁰

Training of specialists in system / Welfare

Progresses:

- A programme on consolidation of the judiciary and improvement of conditions for judges was launched¹⁰¹;
- The INJ-held contest meets the planned stages;
- The strategy on consolidation of the judiciary and the action plan on implementation of the strategy were adopted¹⁰²;
- The Government has approved an action plan on implementation of the 2006-09 joint programme of the European Commission and CoE aimed to boost the independence, transparency and efficiency of the judiciary in Moldova.¹⁰³

Shortcomings and problems:

- The monthly service burden of judges is very big, each of them has to try 49.9 cases on average, and it is very non-uniform, varying from 4.2 up to 60.2 cases per month¹⁰⁴;
- There is a deficit of qualified personnel in the judiciary; there are vacancies of judges and prosecutors;
- Judges do not know and do not adequately apply the ECHR jurisprudence¹⁰⁵;
- Although it was approved, the strategy on consolidation of the judiciary does not contain a financial component, estimate and plenary coverage of expenses needed to adequately implement the strategy and action plan;
- Additional budgetary resources are not allocated for welfare of the judiciary and related fields.

Alternative ways to settle litigations / Penitentiaries

Progresses:

- Several normative acts on situation of detainees have been adopted, in particular, the order # 278 from 17.07.2007 approving the regulation on treatment and conduct of inmates suffering from tuberculosis; order # 298 from 08.08.2007 approving the instruction on privileged compensation of working days from term of punishment;
- Nongovernmental organisations recommend the opening of regional legal assistance centres for detainees¹⁰⁶;
- Minors are early released from prisons for impeccable behaviour and correction during execution of punishment¹⁰⁷;
- The number of offences committed by minors is on the permanent decline thanks to efforts of authorities and support of international community.¹⁰⁸

Shortcomings and problems

- Although it was adopted long ago, the mediation law was not published and enforced so far, so that its implementation is continuously protracted¹⁰⁹;

⁹⁸ The persons proposed by Moldova as judges to the ECHR have been rejected inclusively for non-professionalism and lack of a high moral consideration needed by representatives of the European justice. The Government did not publicly evaluate these reasons, assessing only that Moldova was not the only country whose candidates were rejected;

⁹⁹ Non-execution of decisions on reinstatement in offices by the Ministry of Education and Youth; see the September 7, 2007 issue of Timpul;

¹⁰⁰ GD # 959 from 22.08.2007, article 4 of Annex 1;

¹⁰¹ Programme stipulated by the understanding memorandum between the Assistance Programme for Implementation of the Preliminary Country Plan (financed by the Millennium Challenge Corporation), SCM, Ministry of Justice, Chisinau Court of Appeal, and Rezina, Comrat and Ungheni law courts;

¹⁰² PD # 174-XVI from 19.07.2007;

¹⁰³ GD # 959 from 22.08.2007;

¹⁰⁴ Report on activity of law courts in the first half of 2007, SCJ newsletter # 8, 2007;

¹⁰⁵ Findings by July 19, 2007 public hearings organised by parliamentary commissions for human rights and law, rules and immunities;

¹⁰⁶ Initiative by the Moldovan Human Rights League (MHRL);

¹⁰⁷ Reports on situation in the Lipcani-based Penitentiary # 2 released by spokespersons of the Department of Penitentiaries (DP);

¹⁰⁸ Report by the directorate for minors and human rights of the Prosecutor-General's Office;

¹⁰⁹ The law should be adopted by the end of 2006, in line with PD # 300 from 24.11.2005;

- The number of detainees in Moldova (more than 6,800 inmates), compared with the number of residents, is much higher than the European average¹¹⁰;
- Many inmates complained on summer 2007 that they did not have water and could not resist to hot days (this problem is faced by all population, but those at large can ensure their needs alone)¹¹¹;
- Many inmates have risen at the penitentiary # 13 in the Chisinau municipality, but special forces calmed down the rebellion. The Prosecutor's Office and the Interior Ministry, CPT representatives monitored the operation, and the intervention was not described as bad treatments. At the same time, lawyers accused the prison administration of not providing the necessary information and keeping the situation in secret¹¹²;
- The age average of convicts is on the decline in Moldovan prisons¹¹³;
- Visits of ombudsmen to prisons found shortcomings related to water, electricity and heating supplies (the penitentiary 29/8 in the Bender municipality); conditions for meetings (penitentiary in Soroca); detention of minors together with adults, inappropriate health services (Penitentiary # 29/11 in the Balti municipality); harsh punishments, non-application of early conditional release (education colony # 29/2 in Lipcani); TB disease and treatment (Penitentiary # 29/13 in Chisinau).

¹¹⁰ Statement by MHRL representative;

¹¹¹ Moldovan Helsinki Committee for Human Rights representatives said they have received 5-15 appeals from detainees a day who complained that some institutions (penitentiaries in Cricova, Leova, Cahul, Soroca) do not supply them normally with water;

¹¹² The incidents took place on 06.10.2007, and many lawyers were denied access to inmates on 07.10.2007; authorities did not report the reasons of the rebellion, while the available communication revealed that the attitude of the prison employees was also part of the causes of the incident;

¹¹³ According to DP communications, more than 70 percent of inmates are under 40 years old, and more than 800 convicts are between 15-21 years old.

Monitoring grid 4. Justice

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
<p>Capacity of imposing respect for law</p> <p>/</p> <p>Status and independence of judges and prosecutors</p> <p>/</p> <p>Transparency</p>	<ul style="list-style-type: none"> The number and quality of trying civil cases is on the rise; New legislative and normative acts are adopted; Measures are taken to improve the work of the Prosecutor's Office; International institutions appreciate legislative progresses, but still raise serious concerns; Quality of judging of criminal cases is still unsatisfactory; The consolidation strategy, an action plan aimed to enhance the independence, transparency and efficiency of the judiciary are adopted; 	<ul style="list-style-type: none"> Cases are examined in shorter terms; The number of economic litigations delivered to SCJ has declined; Sounding cases raising concerns have been settled; A high number of criminal cases are annulled or delivered for re-examination; Appointments and promotions to functions still depend on political factors; Judgments are not easily accessible; Institutional and operational transparency did not grow much; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> More active participation of the prosecutor's office in ensuring the execution of judgments; Work of SCM and SCJ; ECHR sentences; Principles of some judges; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Shortage of resources; Too big burden of cases in law courts; Delaying of trials by sides; Non-execution of judgments by high-ranking functionaries; The state does not exercise the right to regress; Inefficiency of SCM; Corruption in system; Low quality of work of persons who represent/assist the sides or judges (prosecutors, lawyers, clerks, executors)); 	<p>+1</p>	<ul style="list-style-type: none"> Moldovan legislation; SCJ, SCM decisions; ECHR decisions; Mass media; Websites; Surveys.
<p>Training of specialists in system</p> <p>/</p> <p>Welfare</p>	<ul style="list-style-type: none"> Consolidation and assistance programmes are launched; The judiciary consolidation strategy is adopted; An action plan aimed to boost the independence, transparency and efficiency of the judiciary was approved; 	<ul style="list-style-type: none"> Training courses and exchanges of experience are organised; Legal management is improving; Courts will be endowed with equipment and other utilities; Funds will be allocated to enhance the transparency; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Foreign assistance; Internal and external monitoring; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Approved strategies and plans are not synchronised with adequate resources; NIJ did not begin the training so far; Quality of education, faulty selection/promotion of personnel; 	<p>+0.5</p>	<ul style="list-style-type: none"> Moldovan legislation; Report on work of JIJ, MJ; Independent studies; Mass media.
<p>Alternative ways to settle litigations</p> <p>/</p> <p>Prisons</p>	<ul style="list-style-type: none"> The mediation law is not enforced so far; A new arbitrage law is not adopted so far; <ul style="list-style-type: none"> Relevant normative acts are adopted; Regional legal assistance centres for inmates are being created; 	<ul style="list-style-type: none"> Imperceptible; <ul style="list-style-type: none"> Aspects of treatment and conduct of inmates suffering from TB, procedure of privileged compensation of working days from detention term are regulated; Temporary detention conditions are inadequate; 	<p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Delayed legislative-normative process; Insufficient knowledge of new mechanisms; Trends of centralising and introducing an additional control; <p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Activity of NGOs, ombudsmen in the field; International assistance; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> High number of sentences to detention and high number of detainees; Lack of a law on probation; Lack of adequate resources; inappropriate endowment and conditions in penitentiaries; 	<p>0</p> <p>+0.5</p>	<ul style="list-style-type: none"> Moldovan legislation; Mass media; DP communications; Websites; MHRC communications.

5. DEVELOPMENT AND ECONOMIC REFORMS

Poverty reduction

The Ministry of Economy and Commerce has presented the main poverty indicators for 2006. They were calculated accordingly to the new methodology of calculation of poverty threshold, which helped improving the quality of data and adjust the poverty estimation methodology to international standards, though these changes led to incomparability of the 2006 indicators with those for the precedent years. Data of the new CGBC reveal that every third citizen of Moldova (30.2 percent) faced an absolute poverty in 2006 and every 22nd citizen (4.5 percent) faced an extreme poverty. A very low extreme poverty rate is observed; that means the food poverty problem will shortly stop being relevant for Moldova.¹¹⁴

At the same time, earnings of population declined in the 3rd quarter of this year on background of a 4.9-percent cumulated inflation rate in the period concerned. The monthly medium salary on economy accounted for 2,131 lei in August, which is by 4.1 percent less than in June. This decline was based on a reduction of the monthly medium salary in budgetary sector by about 30 percent, while the average pay in the real sector has increased by 7.6 percent. At the same time, the last summer drought has produced losses in the amount of one billion dollars in agro-industrial sector, according to estimates by Moldovan Government. Earnings of rural population were affected the most and this fact will affect the poverty rates in rural areas, increasing them in continuation.

The European Commission has recently allocated additional annual assistance funds worth 4 million Euros to Moldova for poverty reduction. This grant is allocated via the 2006 EU Food Security Programme and it was transferred to the National Bank of Moldova. These funds increase the Government's revenues within the 2007 budget and they aim to help developing the productive agrarian sector and a well-done social safety network aimed to reduce the poverty and the food insecurity at level of households for the most vulnerable levels of population.

Consolidation of economic growth

The 3rd quarter ended the recession of industry produced by Russia's restrictions on Moldovan spirits exports. Thus, according to data of the National Bureau for Statistics, the industrial production rose by 0.6 percent in the first nine months of this year, compared with the same period of 2006. Following activities have developed the most and helped combating the recession of industry: stone cutting, shaping and finishing, manufacturing of medical, precision, optical appliances and equipment, drugs and pharmaceutical products, manufacturing of finished metal products, paper and cardboard. At the same time, the making of wines and distilled spirits has declined most, by more than 35 percent, and this produced major changes in the structure of Moldovan industry.

However, the recovery after the 2006 shock was too long. Following Moldova's excessive dependence on Russian market and unfavourable impact of the 2007 summer drought, the European Bank for Reconstruction and Development has modified the strategy on Moldova. The new strategy adopted on September 4, 2007 will aim to improve the business climate, support the economic diversification and reformation of energy sector and municipal sector, and remedy the difference between capital and regions.

Macroeconomic and financial stability

The 3rd quarter was a very negative scenario for Moldovan economy. The leu appreciated in parallel with the rise of prices. The appreciation of domestic currency should serve the NBM goals to control the inflation. However, the cumulated inflation for the first nine months of this year was 9 percent, wasting the hopes of authorities to maintain a 10-percent inflation rate. Inflows of remittances and growth of consumption demand increased the prices in the past three months. The rise of electricity prices increased the prices of public services in August and the drought seriously affected the prices of food products, especially of dairy and meat.

Authorities are very concerned with accelerated pace of inflation, taking more radical actions. NBM increased in September the basic interest rate by 2.5 percentage points up to 16 percent, this being the most significant advance of interest rate in the past seven years. The Moldovan leu started depreciating in October, so that prices will grow in continuation. The appreciation of leu encouraged the rise of NBM currency reserves, which reached 1,109,369,050 dollars in October. Although the value of reserve official assets grows, the situation of Moldovan imports does not improve much.

¹¹⁴ www.pnd.md;

The trade deficit continued to grow and it reach 1.4 billion dollars in January-August, which is by 42.6 percent more than in the similar period of last year.

Fiscal transparency and durability

The parliamentary decision approving the annual report by the Chamber of Auditors regarding the management of public funds in the 2006 budgetary year, the decision on the report concerning the raising and use of resources of the 2006 state social insurance budget and the decision on the report concerning the results of a control on raising and use of mandatory health insurance funds for 2006 were published in August. There were some irregularities related to execution of the Traffic Fund and the fund for subsidising of agricultural producers, from which most of subsidies were paid at the end of the year. The reduction of the number of taxpayers in parallel with the rise of the number of beneficiaries endangers the public social insurance system which should be reformed.

The Government approved the main financial documents for 2008 in September and delivered them to the Parliament, in particular, the draft state budget law for 2008, the draft state social insurance law for 2008 and the draft mandatory health insurance law for. The drafts are based on a 6-percent GDP growth, a 9.3-percent inflation rate, a 12.2 lei / 1 dollar medium annual exchange rate. Revenues are expected to amount to 14,658 million lei and to grow by 21.3 percent compared with 2007, and expenses are planned at the level of 14,881,700 lei. Largest expenses are foreseen for implementation of the pay law in 2008. The draft state budget law for 2008 was voted in two readings.

The first results of implementation of the law # 111-XVI from April 27, 2007 concerning liberalisation of economy were released in August. The State Fiscal Service has annulled debts in the amount of 3,992 billion lei of 32,065 taxpayers toward state budget. The process of legalisation of capital is slowly developing, and more than 7 million lei was legalised in the period concerned. On the other hand, the legalisation of capital and currency will be completed in late 2008, and according to experience of other states, such actions intensify by deadline. These are the only data released by the Ministry of Economy and Commerce.

Monitoring grid 5. Development and economic reforms

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Poverty reduction	<ul style="list-style-type: none"> ▪ Application of the new methodology of calculation of poverty threshold and rates; 	<ul style="list-style-type: none"> ▪ Impossibility to monitor the poverty; 	<ul style="list-style-type: none"> ▪ Exaggerated costs for the budget to apply the old and the new methodology in parallel; 	-1	<ul style="list-style-type: none"> • Estimates by authors; • NBS data;
	<ul style="list-style-type: none"> ▪ Decline of population's earnings; 	<ul style="list-style-type: none"> ▪ Rise of poverty incidence in rural areas; 	<ul style="list-style-type: none"> ▪ The 2007 summer drought; ▪ Higher salary in budgetary sector; 		
Economic growth	<ul style="list-style-type: none"> ▪ Growth of industry by 0.6 percent in January-September 2007; 	<ul style="list-style-type: none"> ▪ Rise of salaries for some activities in real sector; 	<ul style="list-style-type: none"> ▪ Modified structure of Moldovan industry; 	+0.5	<ul style="list-style-type: none"> • Estimates by authors; • NBS data;
Macroeconomic stability	<ul style="list-style-type: none"> ▪ NBM increased the basic interest rate up to 16 percent; 	<ul style="list-style-type: none"> ▪ Imperceptible; 	<ul style="list-style-type: none"> ▪ Accelerated price rise; 	-1	<ul style="list-style-type: none"> • Estimates by authors; • NBM data;
	<ul style="list-style-type: none"> ▪ The cumulated inflation rate for nine months of this year reached 9 percent; 	<ul style="list-style-type: none"> ▪ It is impossible to maintain the inflation rate at the 10-percent target level of authorities; ▪ The leu has artificially appreciated; ▪ NBM increased the basic interest rate; 	<ul style="list-style-type: none"> ▪ Growth of remittances from abroad; ▪ The 2007 summer drought; ▪ Rise of electricity tariffs; 		
Financial transparency and durability	<ul style="list-style-type: none"> ▪ The law on liberalisation of economy is being implemented; 	<ul style="list-style-type: none"> ▪ It is hard to monitor this process because of secret data; ▪ Arrears to the state budget annulled by the State Fiscal Service exceeded the initially presented amount; 	<ul style="list-style-type: none"> ▪ Legalisation of capital is slow, but this process will be completed in late 2008 and it may intensify later; 	-0.5	<ul style="list-style-type: none"> • Estimates by authors; • Report by the Ministry of Economy and Commerce regarding the implementation of the law on liberalisation of economy;

6. DEVELOPMENT AND SOCIAL REFORMS

Social dialogue on employment

Minimal progresses were observed in this area. The Ministry of Economy and Commerce has worked out a draft law on security and health at service, which will replace the 1991 law on labour protection, if the Parliament approves it. A roundtable on this draft took place on September 26. The topic is very important, as statistics on industrial accidents are very alarming. On the other hand, the law could fail to improve the labour security, if the Labour Inspection is not reorganised, lacks human resources and remains incapable to impose employers to respect the labour conditions.

Social protection

The adoption of the 2007-15 national strategy and action plan on reformation of the residential child care system on July 9 was a significant evolution regarding policies.¹¹⁵ The importance of this strategy cannot be underestimated, as approximately 12,000 children are placed in nearly 70 residential institutions, with many of them having living parents or close relatives. The modern approaching of the child protection policies is diametrically opposite to the institutionalisation tradition in Moldova and it is based on idea that the child has the right and needs to grow up in family or in an environment close to family in order to normally develop. This approach is the ground of the strategy, which stipulates a 20-percent decline of the number of children who do not live in a family environment by 2012. At the same time, it has at least four risky aspects which should be revised.

Article 3 of this decision obliges the Ministry of Finance and the Ministry of Social Protection, Family and Child to take into account the provisions of the strategy and plans while working out public expense policies. However, given the previous experience of implementing social policies, the financial saving reasons expressed by the Ministry of Finance will prevail again the social protection reasons represented by the Ministry of Social Protection, Family and Child. In particular, the 2008 budget does not foresee enough resources to implement the strategy.

The fact that the monitoring and coordination of implementation process rests with the Ministry of Social Protection, Family and Child and the Ministry of Education and Youth is another vulnerable element. The division of tasks could reduce the responsibility, so that not all objectives of the strategy could be accomplished.

Thirdly, the strategy developers did not make an excellent financial planning for sure. Only 20 out of the 61 planned actions were financially estimated, while another 14 will be implemented "in the limit of allocations". Also, many of the planned actions could not imply costs, including measures linked to modification of the legal and normative framework. However, according to experience of formerly implemented reforms, these actions imply essential costs because nongovernmental experts will take them.

Finally, it is worth to mention that most of financial obligations will fall on shoulders of local administrations. The overall cost of the strategy is evaluated at about 250 million lei, of which 210 million lei shall be covered from local budgets. It is hard to believe that local authorities will be able to financially support the implementation of this strategy, after their budgets have faced a permanent stress in the past years and it seems that this situation will not improve soon.

Education

EUMAP requires measures aimed to ensure the access of needy children to elementary and secondary education, in particular in rural areas. Also, Chapter 7 stipulates a series of measures regarding the implementation of the Bologna Process and EU education standards, as well as intensification of education cooperation with EU. No important progresses were observed in this area in the 3rd quarter, except for new opportunities to win scholarships abroad.

Health

EUMAP stipulates measures aimed to enhance the healthcare security, develop the emergency healthcare system, and consolidate the primary healthcare and family medicine system. Most of these measures have been accomplished. Major shortcomings rest with healthcare security, in particular, supervision of catching diseases.

¹¹⁵ Government Decision # 784 from July 9, 2007;

Monitoring grid 6. Development and social reforms

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Social dialogue on employment	<ul style="list-style-type: none"> ▪ Elaboration of the draft law on labour security and health; 	<ul style="list-style-type: none"> ▪ Imperceptible; 	<ul style="list-style-type: none"> ▪ Alarming statistics on industrial accidents; ▪ The Labour Inspection is short of human resources and must be reorganised; 	+0.5	<ul style="list-style-type: none"> • Evaluations by authors;
Social protection	<ul style="list-style-type: none"> ▪ Adoption of the national strategy and action plan on reformation of the residential child care system for 2007-2015; 	<ul style="list-style-type: none"> ▪ High number of children in residential institutions; 	<ul style="list-style-type: none"> ▪ The 2008 budget does not foresee enough funds for the implementation of the strategy; ▪ Division of competences between ministries may reduce the responsibilities and fail the objectives; 	+0.5	<ul style="list-style-type: none"> • Evaluations by authors;
Education	<ul style="list-style-type: none"> ▪ Deepening of reforms accordingly to provisions of the Bologna Process; 	<ul style="list-style-type: none"> ▪ Adjustment of national legal framework to European standards; ▪ Higher number of foreign scholarships for Moldovan youths; 	<ul style="list-style-type: none"> ▪ Intensified cooperation with EU concerning education; ▪ Information campaigns held by the Ministry of Education and Youth and the National Office TEMPUS; 	+1	<ul style="list-style-type: none"> • Evaluations by authors;

7. INTERNATIONAL TRADE

Commercial relations (Trade regime with EU)

- An important progress was observed in this area, with the process of awarding of the Autonomous Trade Preferences (ATP) being almost over. The new trade regime is expected to enter into force on January 1.¹¹⁶

Export promotion and development

- According to data for the first eight months of 2007, the trade deficit is growing in continuation. It accounted for about 1.4 billion dollars in January-August, increasing by 42.6 percent compared with the similar period of 2006. At the same time, the exports turned over 810.5 million dollars only in the period concerned, increasing by 16.3 percent compared with 2006. Of course, the import/export coverage rate has declined from 39.4 percent in January-August 2006 down to 36.8 percent in the similar period of 2007.
- The spectacular growth of imports on the background of a lower advance of exports also fuels the rise of trade deficit. This is the result of an interaction of several factors. The imports are robustly growing, as Moldovan companies cannot cover the strong internal consumption fuelled by remittances of emigrants. At the same time, Moldovan exports consist of low value-added products which face pressures of a very strong competition on international markets. The advance of textiles on account of agro-food products as main export provides few reasons of enthusiasm: they are based on imported raw material and have a low technological input. At the same time, these structural changes will amplify soon: the compression of agro-food exports will last because of external export barriers and 2007 drought, while textile exports will grow, not the last, due to replacement of production capacities from new EU member states farer towards the East.
- At the same time, the negative impact of the Russian embargo on Moldovan wine exports on evolution of Moldovan exports in general is experienced in continuation. Thus, the growth of exports is much stronger if not taking into account the losses suffered after the Russian embargo on Moldovan wines (introduced in March 2006). As a result, the export expansion rate grows more than twice, and the effect of export "recovery" in 2007 after the embargo is not the only explanation. Exports of food products, drinks and tobacco have also grown, if neglecting the impact of the embargo. Therefore, exporters of these products succeeded to attenuate somehow the impact of the embargo and diversify their markets.
- A progress is apparently observed as regards the restart of wine exports to the Russian Federation. Unlike a series of precedent statements delivered after the embargo was introduced, the last one seems to be real. However, many producers raise grounded fears regarding the functioning of this mechanism and afferent controls by Russian authorities. At the same time, it is worth to note that a limited range of Moldovan wines will be delivered by a small group of producers. Thus, the "Russia" method of selection of producers to export to the Russian Federation has finally won.

Customs

Important progresses were observed in this area. In particular, the procedure of integration of information systems SICOM and SPECIMEN into ASYCUDA World has started. Starting August 1, 2007, the Customs Service is in charge with issuing EUR.1 certificates for Moldovan commodity exports. Under the CEFTA Agreement, the certificates will be issued for exportation to member states of this agreement. It is worth to recall that this was a basic requirement for awarding of ATP to Moldova. Starting January 1, 2008, the Customs Service will issue preferential certificates CT-1 for exports to CIS, taking over this competence from the Chamber of Commerce and Industry. Endowing the Customs Service with capacities of making the expertise of exported commodities will be very important in future.

The customs offices Chisinau, Ungheni, Nord and Airport are implementing the "one-stop-shop" principle for customs control, a concept approved under the Customs Service order # 131-o from 23.04.2007. At the same time, a wider process of applying the one-stop-shop principle both for customs control and checking by all border subdivisions has started. Under the Government Decision 88-d, the interdepartmental commission in charge with the implementation of "one-stop-shop" was created on September 28, 2007.

¹¹⁶ In addition, Croatia is negotiating the accession to EU, being expected to join in 2009, and it will withdraw from this agreement after accession.

The Action Plan on Moldova's joining to the International Convention concerning Harmonisation of Border Controls (Geneva, 21.10.1982) and the convention on common transit regime (Interlaken, 20.05.1987) was worked out.

Sanitary and phytosanitary standards

In order to fully enjoy the liberalisation of trade with EU, Moldovan companies need to adjust their production processes to European quality and management systems. Progresses in this area are not rapid enough for the time being.

The draft law on sanitary veterinary activity was passed in two readings on 19.10.2007.

As regards the elaboration and implementation of hygiene package, four basic packages related to hygiene and food security, official controls by veterinary authorities are being approved (CoE Regulation 854 „Regulation concerning official controls on animal food products for human consumption”, CoE Regulation 852 „General hygienic requirements for animal food products, CoE Regulation 853 „Specific hygienic requirements for animal products”, CoE Regulation 882 „Regulation on official controls aimed to check the conformity with requirements on fodder, requirements on animal food products, and norms on animal health and welfare”).

At the same time, following sanitary veterinary norms are being elaborated:

- a) The sanitary veterinary norm on the monitoring of zoonoses and zoonotic agents, the November 17, 2003 Council Decision (2003/99/EC);
- b) The sanitary veterinary norm introducing minimum community measures for the control on certain fish diseases, Council Directive 93/53/EEC from June 24, 1993;
- c) The sanitary veterinary norm on the control of salmonella and other specified food-borne zoonotic agents in the food network, the European Regulation 2160/2003 from November 17, 2003, the European Regulation 1003/2005 from June 30, 2005;
- d) The veterinary norm concerning the animal health conditions governing the placing on the market of agriculture animals, the Council Directive 91/67/EEC from January 28, 1991;
- e) The Regulation (EC) # 1774/2002 of European Parliament and of the Council of 3 October 2002 laying down health rules concerning animal by-products not intended for human consumption;
- f) The Council Directive 77/96/EEC of 21 December 1976 on the examination for trichinae (*trichinella spiralis*) upon importation from third countries of fresh meat derived from domestic swine;

The strategy on re-dismissal of laboratories in charge with food security and health of animals was worked out. These laboratories are being endowed with necessary equipment with the CoE financial assistance.

Approaching EU and international administrative and legal practices regarding technical regulation and conformity evaluation

This direction is also very important for Moldova to fully benefit of the preferential trade regime with EU. A number of Government decisions on adjustment of technical regulations and assessment of conformity of some key Moldovan products were approved in the 3rd quarter, in particular:

- „Meat products”, which establishes minimum quality and safety standards related to presentation and labelling of products that must be respected when making and/or trading domestic and imported meat products for human consumption;
- „Sugar. Production and trading”, which establishes minimum quality and safety standards related to presentation and information of consumers that must be respected when making and/or trading domestic and imported sugar for human consumption;
- „Bread products and pastry”, which establishes minimum quality and safety standards that must be respected when making and/or trading domestic and imported bread products and pastry. Also, the Ministry of Agriculture and Food Industry has established a series of phytosanitary norms aimed to adjust the national legislation to EU laws. The adoption of these norms is a condition for receiving the EU ATP and they cover many sensible products of Moldova;
- „Fruit, strawberry multiplying plants. Quality norms”, which establishes single and mandatory requirements for all producers and traders of plants concerning safety and technical quality standards for domestic and imported planting material;

- „Seeds for crops”, which establishes mandatory quality standards related to biological purity, presentation and labelling that must be respected when producing and/or selling domestic and imported seeds for crops.

Monitoring grid 7. International trade

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Commercial relations	<ul style="list-style-type: none"> The ATP granting procedure is being completed; 	<ul style="list-style-type: none"> Enlargement of the range of products included in free trade regime with EU; Geographical diversification of Moldova's foreign trade; "Sensible" products will be accepted on basis of quotas; 	<ul style="list-style-type: none"> Pro-active attitude of Moldovan diplomacy; Fulfilment of technical requirements of the European Commission by Moldovan competent bodies to be awarded the ATP; Readiness of the European Commission to liberalise the trade with Moldova; 	+1	
Export promotion and development	<ul style="list-style-type: none"> Statements on resumption of Moldovan wine exports to the Russian market; The trade deficit is growing on the background of an alarming rise of imports; 	<ul style="list-style-type: none"> Eventual reorganisation of winemaking sector; The embargo still influences the evolution of Moldova's commercial relations; 	<ul style="list-style-type: none"> Apparent "warming" of Moldovan-Russian diplomatic relations; 	+0.5	
Customs	<ul style="list-style-type: none"> Better functioning of the Customs Service; 	<ul style="list-style-type: none"> Implementation of the European origin certification system; The "one-stop-shop" principle is slowly applied by all customs offices of Moldova; Permanent training of the personnel of "commodity origin" sections; 	<ul style="list-style-type: none"> Requirements for ATP granting negotiations; Assistance of foreign partners (the United Kingdom, Lithuania); 	+0.5	
Sanitary and phytosanitary standards / technical regulations, conformity evaluation	<ul style="list-style-type: none"> Accelerated implementation of veterinary recommendations made by European experts in 2005; Adoption of a number of technical regulations aimed to adjust legal and administrative practices; The Parliament is examining the law on sanitary veterinary activity; 	<ul style="list-style-type: none"> Perspective of Moldovan animal exports to meet the rigours of EU market; Facilitated adjustment of Moldovan technical standards to European norms; 	<ul style="list-style-type: none"> Institutional inertia and insufficient administrative capacity of responsible agencies. 	+0.5	

8. BUSINESS CLIMATE

Trade Law Reform

The adoption and promulgation of the law on limited societies,¹¹⁷ which will enter into force on November 17, 2007, is an important progress in this area. The law maintains the minimal registered capital of limited societies at 5,400 lei, compared with 30,000 lei sought by the draft law to eliminate many limited societies which exist on paper only. However, a good functioning of the insolvency law rather than the rise of the minimal registered capital for limited societies is required to combat non-functional commercial societies.

The new accountancy law and the auditing law will enter into force on January 1, 2008. The accountancy law,¹¹⁸ which is better than the precedent one and meets the current development requirements, adjusts the fiscal regulation to the accountancy law. The auditing law¹¹⁹ enlarges the range of services provided by auditing societies. Public entities will have to make the annual auditing of financial reports. This category will include entities with a special importance for the public due to their field of activity, economic size and number of workers, as well as societies exceeding the limits of two out of the following three criteria: overall revenues 120 million, currency of booking balance 60 million lei, average number of workers – 500 persons. However, the law contains some unclearness, as for example, it is unclear when the Supervision Council can outlaw the auditing report and what consequences the auditing company will face in such a case. The law complicated the procedure of issuing of auditing certificate.

Regulatory Reform

The law on basic regulatory principle of entrepreneurship called Guillotine II is being implemented. The effective entrepreneurship legislation has been revised and 80 laws have been completed and delivered to the Parliament, which is due to pass them in the first reading by November 30. Amendments and completions aim to simplify the procedures of certification and authorisation of entrepreneurship, limit controls on enterprises and reduce the number of pay-for services provided to entrepreneurs. This year, a working group has examined 252 documents on entrepreneurship which are being drafted, and including 40 draft laws, 112 Government decisions, 45 draft normative acts worked out by ministries and central public authorities.

The Parliament adopted the new law on state certification of legal entities and individual entrepreneurs on October 19, and it will be enforced 6 months after publication. The law stipulates a shorter procedure of certification and erasure from the state register of legal entities and individual entrepreneurs, reducing the registration term from 15 days down to 5 days, the number of documents needed for registration from 6 to 4, other acts needed for erasure from 8 to 2, and authorises the electronic submission of acts for state registration. The new law explains the notions of active and passive enterprises. The State Registration Chamber will publish in Monitorul Oficial the list of non-working economic agents and enterprises which did not report their activity within 12 months.

Starting, November 5, 2007, the Ministry of Economy and Commerce will open business contact centres in eight cities of Moldova, in order to provide available business information to beginning entrepreneurs and business managers. This initiative is part of the TACIS programme Sustaining Rural Small and Medium Businesses.

According to the Doing Business 2008 report, Moldova has climbed from the 103rd place up to the 92nd spot in the World Banking standing which covers 178 countries. The report notes that Moldova has achieved progresses in reducing the fiscal taxation. At the same time, the employment rate has declined. The cost of building licences is high in continuation, though the state of things has improved.

¹¹⁷ Law # 135 from 14.06.2007, Monitorul Oficial of Moldova # 127-130 from 17.08.2007;

¹¹⁸ Law # 113 from 27.04.2007, Monitorul Oficial of Moldova # 90-93 from 29.06.2007;

¹¹⁹ Law # 61-XVI from 16.03.2007, Monitorul Oficial of Moldova # 117-126 from 10.08.2007;

Monitoring grid 8. Business climate

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Trade law reform	<ul style="list-style-type: none"> ▪ Maintenance of the minimal registered capital of limited societies at the level of 5,400 lei; 	<ul style="list-style-type: none"> ▪ It prevented the dissolution of some functional limited societies; 	<ul style="list-style-type: none"> ▪ A good functioning of the insolvency law is required; 	+1	<ul style="list-style-type: none"> • Assessments by authors;
Regulatory reform	<ul style="list-style-type: none"> ▪ The law on state certification of legal entities and individual businesses was adopted; 	<ul style="list-style-type: none"> ▪ Imperceptible; 	<ul style="list-style-type: none"> ▪ The implementation term of Guillotine II is postponed; 	+0.5	<ul style="list-style-type: none"> • Doing Business 2008 Report (World Bank)
	<ul style="list-style-type: none"> ▪ Moldova climbed in the World Bank Doing Business 2008 standing; 	<ul style="list-style-type: none"> ▪ Imperceptible; 	<ul style="list-style-type: none"> ▪ Progresses in reducing the fiscal taxation; ▪ Decline of unemployment rate; 		
Competition	<ul style="list-style-type: none"> ▪ NAPC applies high fines; 	<ul style="list-style-type: none"> ▪ A possible conflict of interests if the agency transfers to its account 20 percent of the amounts collected as fines; 	<ul style="list-style-type: none"> ▪ The establishing of the size of fines is not well-regulated; 	0	<ul style="list-style-type: none"> • Assessments by authors;
Privatisation	<ul style="list-style-type: none"> ▪ The privatisation of Banca de Economii of Moldova was stopped; 	<ul style="list-style-type: none"> ▪ Slow evolutions in implementing the 2007 economic and financial policies; 	<ul style="list-style-type: none"> ▪ The company selected to evaluate the market value of the bank wants to participate in its privatisation, too; 	-0.5	<ul style="list-style-type: none"> • Assessments by authors;

9. MARKET INSTITUTIONS

Capital market

The law on savings and loan associations¹²⁰ was published in August and it will substitute the present law on savings and loans of citizens starting January 2008. The law introduces a series of new elements in functioning of savings and loan associations. Firstly, these associations will be allowed to include both citizens and legal entities. The present law allows only individuals to create such associations. Secondly, the law weakened much the territorial functioning restrictions. Their members may create associations based on territorial criteria and interest community. The law also establishes a series of financial prudence principles which associations must respect. At the same time, there are some prohibitive aspects, which is hard to understand. In particular, the law bans associations to provide services to third parties, including consulting services.

Energy sector

The decision on Moldova's energy strategy until 2020 was published in the September 7, 2007 issue # 141-145 of Monitorul Oficial. Beside of being an in-depth document, the strategy brings a series of interesting aspects. Firstly, it does not evaluate the results of implementation of the precedent strategy, though its terms in not over yet (being effective until 2010). Secondly, the strategy stipulates that distribution networks are owned by the state (RED Nord and RED Nord-Vest), and three generation capacities (CET-1 and CET-2 Chisinau, and CET-Nord Balti) will be privatised, while the law on management and privatisation of public property includes them in the list of goods which cannot be privatised.¹²¹

Protection of competition

The National Agency for the Protection of Competition was created early this year and it has already taken radical actions by the second semester. The Orange Moldova Company was declared on August 29 as an official monopoly on Moldovan mobile market, and the household appliance supermarket Bomba and Sun Communications Company were applied fines in the amount of 9 million lei and 2.5 million lei. The companies concerned have contested these decisions and the Foreign Investors Association in Moldova described them as abusive, as no legal act regulates the size of fines and the law on protection of competition¹²² authorises the agency to transfer 20 percent of the fine to its account.

Business support infrastructure

The 107-111 issue of Monitorul Oficial published the law on technical-scientific parks and innovation incubators. The goal of the law is to encourage innovation and technologic transfer activities aimed to turn the findings of scientific researches and innovations into products, services, new and improved products. The law will undergo hot intra-governmental debates regarding the role and form of researching and development process in economic development. These debates were especially visible as regards the finalisation of the National Development Plan. They are the fruit of a clash between two visions concerning the way the research and technological development process must be organised. The Academy of Sciences expresses a centralising vision. The second vision promotes the decentralisation of the process and an enhanced role of private universities and entities in the process of research and economic implementation of findings. An analysis of the law reveals that the first vision prevailed on the second one, posing risks that the allocations for this area will not be used very efficiently.

Another law adopted in July envisages the industrial parks. By promoting this law, the Government aims at regional development and reducing discrepancies between Chisinau municipality and other areas. At the same time, the role of local public authorities in building and monitoring the parks seems to be marginal, though local and regional communities are invoked as main beneficiaries of the expected effects of industrial parks.

¹²⁰ Law # 139-XVI from June 21, 2007, Monitorul Oficial # 112-116 from August 3, 2007;

¹²¹ Moldovan Law 121 from May 4, 2007, published in Monitorul Oficial # 90-93;

¹²² Law # 1103-XIV from 30.06.2000, Monitorul Oficial # 166-168 from 31.12.2000;

Monitoring grid 9. Market institutions

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
Capital market	<ul style="list-style-type: none"> ▪ The law on savings and loan associations; 	<ul style="list-style-type: none"> ▪ It allows legal entities to join these associations and weakens territorial restrictions for building such associations; 		+0.5	<ul style="list-style-type: none"> • Assessments by authors;
Energy sector	<ul style="list-style-type: none"> ▪ The energy strategy of Moldova until 2020 was approved; 	<ul style="list-style-type: none"> ▪ Imperceptible; 		+0.5	<ul style="list-style-type: none"> • Assessments by authors;
Competition	<ul style="list-style-type: none"> ▪ NAPC applies big fines; 	<ul style="list-style-type: none"> ▪ A conflict of interests if the agency transfers 20 percent of the amounts of fines to its account; 	<ul style="list-style-type: none"> ▪ The mode of establishing the size of a fine is not well-regulated; 	+0.5	<ul style="list-style-type: none"> • Assessments by authors;
Business sustenance infrastructure	The law on industrial parks;	Imperceptible;	The marginal role of local public authorities in building and monitoring parks;	+0.5	Assessments by authors;

10. BORDER, MIGRATION AND TRAFFICKING IN HUMAN BEINGS

State border guard concept

Trends of updating the national legislation accordingly to the 2003 state border guard control have developed relatively slow in the 3rdQ of 2007. Although a first draft **state border guard concept for 2007-2010** was worked out, it will be finalised after the national security concept of Moldova is approved. At the same time, the national strategy on integrated state border management is being worked out.

In this monitoring period, the Parliament has passed in the final reading the draft law on **Border Guard Service**. As noted in the recent issue of Euromonitor, it was elaborated by a working group of the Border Guard Service with the support of international experts to stabilise the legal, economic and organisational bases of this service. The draft aims to regulate matters involving the state, destination, general structure, management bases and functioning principles of the Border Guard Service in charge with border protection and control. It was consulted by experts of the EU Border Assistance Mission to Moldova and Ukraine, whose recommendations were taken into account to elaborate the draft.

Cooperation between border management agencies

We think that the greatest developments were registered on this direction as regards the EUMAP implementation, in particular after a good work of EUBAM and the EUBAM-coordinated BOMMOLUK Programme. The 7th meeting of the EUBAM Advisory Board took place in late September at which a report on results of the border monitoring with Moldovan and Ukrainian partners in June-August 2007 was released. Also, the sitting approved an action plan for November 2007-November 2008 and extended the EUBAM mandate until November 2009. However, besides progresses the EUBAM signalled shortcomings related to border monitoring such as trafficking in human beings and commodity smuggling¹²³.

EUBAM was appreciated during visits of high-ranking European dignitaries and representatives of European border guard and customs services. The mission trained Moldovan and Ukrainian customs and border guard services and organised studying visits to border crossing points. Also, it continued assisting the Border Guard Service in organising and building a new Border Guard College.

The EUBAM-coordinated BOMMOLUK Programme has organised studying visits to Finland, Austria and Hungary for functionaries of Moldovan and Ukrainian customs and border guard services to learn European practices and efficient border management.

Continuation of Söderköping process and regional cooperation

An official Moldovan delegation attended the meeting of high-ranking functionaries within the Söderköping Process, which took place in Stockholm, Sweden, in early September. The meeting welcomed the statement by Moldovan delegation regarding the implementation of an operational migration data and information exchange mechanism between countries participating in this process. Moldova's representatives reported latest developments in the Moldovan migration and transborder management policy and suggested the enlargement of the cooperation area toward Western Balkan countries.

The meeting of high-ranking functionaries within the Söderköping Process brought together officials at level of ministers and deputy ministers of EU, East and South-East Europe countries and representatives of the European Commission, International Organisation for Migration, E.U. High Representative for Refugees and Sweden Bureau for Migration. The meeting aimed to evaluate the cooperation within this process and to create an efficient platform to tackle good practices and opportunities for a better coherence between migration and asylum policies.

In the same period (July 11), representatives of GUAM border guard services attended a forum in Chisinau and discussed a better cooperation and exchange of monitoring and control experience between services of participating countries. A more active participation of the Moldovan associative sector in transborder monitoring was discussed at a workshop in Chisinau on July 12-13, 2007. The workshop on role of NGOs in transborder cooperation followed the key purpose to facilitate the transborder cooperation between participating states.

Evaluation and monitoring of migration

Following a period of structural changes, the institutional and legal framework on evaluation and monitoring of migration was finalised. Both the Bureau for Migration and Asylum coordinated by the Ministry of Home Affairs and the Unit for Labour Migration Policies and the Directorate for the Implementation of Labour Migration Policies as part of the National Employment Agency work accordingly to norms and regulations stipulated by legislation. However, their activity is mediated a little,¹²⁴ as regards the quarterly statistics, not annual data provided by competent structures (quantitative figures not subjective holding cases).

¹²³ Brief of the report on EUBAM activity for June – August 2007, 26.09.07, www.eubam.org;

¹²⁴ http://www.mai.md/servicii_ro/serv_bma2007_ro;

Approximately 1,750 foreigners came to Moldova in January-September 2007 (who were awarded an immigrant status), including 891 persons for work purposes (315 from Turkey, 92 from Romania, 70 from Italy, 69 from Ukraine, 64 from the United States, 52 from Azerbaijan, and 46 from Russia, etc.), 801 persons integrated their families in Moldova (278 from Ukraine, 163 from Russia, 77 from Turkey, 59 from Romania, 33 from Azerbaijan, 25 from the United States, 21 from Armenia, 20 from Syria, etc.), and 58 persons came for education purposes. Fifty-seven persons who arrived in Moldova were refused immigrant status.

At the same time, 1,170 persons including 140 have repatriated to Moldova (614 from Russia, 303 from Ukraine, 106 from Israel, 41 from the United States, etc.). The Directorate for Refugees registered 34 new asylum seekers in nine months. Eighty-eight refugees, 59 beneficiaries of humanitarian protection and 86 asylum seekers (233 persons overall) were registered with this directorate in late September.

According to available data, 1481 cases of violated stay regime were recorded in January-September 2007, with law courts deciding the expulsion of 255 foreigners and reducing the stay term for another 336. Of course, these data do not reveal the real situation, as many immigrants come illegally to Moldova¹²⁵ and they are not registered. Many seminars and roundtables on integration of refugees, participation of NGOs in monitoring the migration took place this year, with the participation of representatives of European institutions, UNHCR, regional and local NGOs, Söderköping Process, AENEAS, etc.

At the same time, the exact number of Moldovans who immigrated to other countries is unknown, and this is a proof that the national migration evaluation and monitoring system is not really functional. Even more, in spite of the Government decision on elaboration of the draft concept of the **integrated automatic migration information system** until September 1, 2007, the draft concept has been elaborated and approved by competent bodies, but it was not made public so far.¹²⁶ Many state structures in charge with monitoring the migration hold they databases, but they are not integrated and are differently developed, and this situation hardens the record and evaluation of migration. Every participating institution has updated its internal information systems in order to establish an interaction within the integrated system. A tender was held with the support of IOM/Moldova to select a company in charge with building this system.

International cooperation

Representatives of Moldovan structures in charge with international cooperation attended working meetings in the 3rd quarter of 2007 with fellows from European countries (Ireland, Spain, and Austria) who shared experience regarding migration. The meetings focussed on takeover of advanced practices from these countries and granting of technical and logistic support to Moldovan authorities in the area of migration management and exchange of information on migration policies and strategies. At the same time, these meetings discussed the perpetuation of illegal migration, particularly in the Transnistrian segment of Moldova, and evident interest of many organisations to monitor this phenomenon. For example, representatives of the International Organisation for Migration (IOM) in Chisinau promised to intensify their actions in the Transnistrian region in order to combat the illegal migration and trafficking in human beings. They will cooperate with nongovernmental organisations and local communities from the left bank of the Dniester River in order to combat this phenomenon. It is worth to note that Brussels hosted a Moldova-EU meeting at level of migration experts in the period concerned. It aimed to continue the dialogue on migration launched in early 2005 and to evaluate reforms implemented by Moldova in line with the National Asylum and Migration Plan.

The European commissioner for justice, freedom and security, Franco Frattini, has evoked more than once the illegal migration issue, in particular, the problem of illegal migrants from East Europe in the period concerned. He warned in a statement¹²⁷ that the south-east border of Europe has become a ground for illegal migration and the illegal passing of migrants from Moldova, Ukraine, Georgia, Belarus, and Armenia to Europe through the eastern border raises concern. According to latest monitoring reports by the European Commission, approximately 500,000 illegal immigrants enter the EU a year.

The quality of migration monitoring in Moldova is improving including via projects implemented by missions of international organisations in Chisinau¹²⁸ jointly with state structures. The remittance optimisation project implemented by IOM/Moldova, Ministry of Economy and Commerce and International Labour Organisation with the financial assistance of the European Commission is a good example in this respect. In the same period, Moldovan authorities have firmly declared that they will negotiate bilateral agreements on labour force migration and social protection of Moldovans working abroad with many European states, as Moldova has such agreements with CIS only, an area which is not unique for Moldovans willing to immigrate.

Certain progresses were observed within the Söderköping Process in the period concerned. Moldovan authorities

¹²⁵ Police bodies discovered many illegal labour cases involving immigrants in the 3rd quarter of 2007.

¹²⁶ Government decision on building the integration automatic migration information system # 40 from 12.01.2007, published in *Monitorul Oficial* # 6-9/51 from 19.01.2007.

¹²⁷ www.ft.com;

¹²⁸ www.iom.md and www.ilo.org;

attended in September the Meeting of High-Ranking Functionaries within Sörderköping Process, which took place in Stockholm, Sweden. The forum brought together officials from EU member states, East and South-East Europe, European Commission, International Organisation for Migration, UN High Commissioner for Refugees and Swedish Bureau for Migration, and approached aspects of transborder cooperation on migration and asylum. The strategic goal of the Sörderköping Process is to facilitate the transborder cooperation between participating states. The purpose of the Stockholm meeting was to evaluate the cooperation within the Sörderköping Process and to build an efficient platform for tackling good practices and opportunities for a better coherence between migration and asylum policies.

Visa policies

In spite of many statements and promises that the Single EU Visa Issuance Centre (working in the Hungarian Embassy) will issue visas for many states starting autumn 2007, the reality is another. Of course, the joining of new states to this centre depends much on Moldova's accomplishments or drawbacks in the EUMAP implementation process. Monitoring and observance missions of the European Commission and Council of Europe which visited Moldova in the period concerned launched this conclusion. However, many European diplomats said that the number of states participating in the Single Visa Issuance Centre will grow much in the first half of 2008. These statements are linked to Moldova's positive image in the European diplomatic environment, which is particularly due to functioning of the Single Visa Issuance Centre and good work of EUBAM.

At the same time, the visa facilitation and readmission agreements between Moldova and European Commission which were recently signed and initialled by Chisinau and Brussels will be ratified by European Parliament in November. EU member state will have to comment these agreements, but they will not be ratified by every EU member state.

Even more, European officials have told the 10th Meeting of the Moldova-EU Parliamentary Cooperation Committee that the European Commission will ensure the enforcement of visa facilitation and readmission agreements on January 1, 2008.¹²⁹ The facilities of these agreements include the maintenance of the 35-euro price of a visa (compared with 60 Euros); free visa issuance for certain categories of Moldovan applicants, in particular, students, transporters, retirees, journalists, businessmen, etc. the visa facilitation agreement stipulates the *bona fidae* principle, so that the persons who have been issued visas for EU member states and respected the stay conditions in these countries could be awarded multi-visa for at least one year.

Trafficking in human beings: progresses and trends

Like in the 2nd quarter, the shortage or lack of statistics on trafficking in human beings does not allow a relevant comparative analysis. For example, the website of the centre for the struggle against trafficking in human beings reports only arrests of persons or groups involved in human trafficking.¹³⁰ However, reports and statements by representatives of some nongovernmental organisations¹³¹ say that the general situation is improving. They reveal that the number of trafficked Moldovans is constant due to participation of state institutions and NGOs in stopping this phenomenon. Moldova has improved its places in the world human trafficking standing as regards the gravity of this phenomenon, leaving the 1st group and joining the 2nd group of the top besides Romania and Ukraine. The 1st group includes in particular African countries, where the trafficking is widely practiced, while authorities do not work to stop this process.

At the same time, statistics of the La Strada Centre reveal that approximately 1,500 Moldovans are trafficked a year. Nearly 90 percent of them are trafficked for prostitution, followed by those trafficked for labour and beggary purposes. About 14-15 percent of the victims of trafficking in human beings identified in the past years are children under 16. Most of Moldovan victims of human trafficking are trafficked to Turkey, the United Arab Emirates, Israel, Greece, Spain and Portugal. The number of trafficked men has grown. As a rule, tourism agencies issue fake labour contracts to men and they are often obliged to work in building sector for free.

Prevention of trafficking in human beings and assistance of victims

Commitments and initiatives by some NGOs working to prevent and combat the trafficking in persons are also important to struggle this phenomenon. Their work is often more efficient than of state structures in charge with preventing and combating the trafficking in human beings. For example, the La Strada Centre has launched a social campaign to raise the awareness of population over new trends of human trafficking in Moldova. The campaign will end in late October.

The work of competent NGOs is also favourable to train and raise the awareness over consequences of human trafficking. Thus, La Strada seminars for social assistants from the districts of Glodeni, Riscani, Falesti, Floresti, Singerei, Balti in July-

¹²⁹ Statement delivered by Marianne Mikko at the 10th Meeting of the Moldova-EU Parliamentary Cooperation Committee;

¹³⁰ http://www.mai.md/trafic_ro/;

¹³¹ International Centre for the Protection and Promotion of Women's Rights *La Strada*, Winrock International etc.;

September 2007, at the request of the international organisation Medicine du Monde. The seminars focussed on the role of social assistant in preventing the human trafficking and facilitating the access of victims of trafficking to assistance.

The national plan on prevention and combat of trafficking in human beings approved under GD # 903 from 25.08.2005, which includes concrete actions aimed to prevent and combat the trafficking in persons, is being implemented within two years (2005-2007). Even more, the Ministry of Home Affairs has elaborated the type regulation for district commissions in line with this law (it will be delivered to the Government for examination), in order to improve the work aimed to prevent and combat the trafficking in human beings. A new draft national plan on prevention and combat of trafficking in human beings for 2007-09 is being finalised and will be delivered to the Government in order to approve it.

Romanian European parliamentarian Silvia Ciornei has launched a project on assistance of victims of trafficking at European level, a project supported by more than 300 European parliamentarians. They signed a statement on creation of a multi-language telephone line in the EU area dedicated to victims of trafficking. By calling a single European number, the victim will be able to receive qualified assistance in the native language. The social assistant will try to establish the whereabouts of the victim and notify the police, so that to finally rescue and send the victim to the nearest assistance centre. This project will be tabled at the Meeting of EU Telecommunication Ministers and the European Parliament will adopt it in November 2007. The project is credited with great chances because the European Commission will support it, as Vice-President Franco Frattini supports social causes.¹³²

Coordination of actions and combat of phenomenon

State bodies in charge with combating the human trafficking held and discovered groups and networks participating in this process in the 3rd quarter of 2007.¹³³ At the same time, the EUBAM work is very useful to prevent trafficking in persons.¹³⁴ In addition, the readiness of the International Organisation for Migration to intensify its actions in the Transnistrian region in order to combat the illegal migration and human trafficking is welcome. Unfortunately, the big number of cases discovered in the period concerned reveals the gravity and serious size of this phenomenon.

The national committee for the struggle against trafficking in human beings should work hard because it fails to accomplish the EUBAM objectives in spite of certain positive results. In order to efficiently combat the human trafficking, competent authorities will urgently promote draft legal and normative acts needed to improve the existing normative framework and will elaborate and implement realistic mechanisms for execution of these documents.

Following operative investigations conducted by CSTHB officers jointly with MHA territorial subdivisions in January-September 2007, 445 offences (by over 4 percent more than in the similar period of 2006) and 225 cases of trafficking in persons (by 1.7 percent less than in 2006) were recorded. For example, 243 cases of trafficking in human beings were recorded in 2006. The number of cases delivered to courts (prosecutor) has also increased, up to 215 criminal cases (or by about 96 percent). At the same time, the number of cases of trafficking in children delivered to courts has declined down to 41 criminal cases (or by about 30 percent less than in 2006).

CSTHB has recorded and investigated criminal charges against officials in 9 months of this year and registered 6 cases of this kind. At the same time, a special attention was paid to combating corruption on trafficking line. The centre for the struggle against trafficking in human beings of the Ministry of Home Affairs has taken operative-investigative measures and filed five criminal cases related to corruption (3 cases of active corruption, one case of passive corruption and one case of misuse of authority). Offenders were held red-handed when they gave bribes to officers of the centre for the struggle against trafficking in human beings in order to positively settle criminal cases.

International cooperation

The regional and sub-regional cooperation is important for the struggle against human trafficking. For example, MFAEI invited CoE member states in September to give an impulse to the enforcement of the European Convention Against Trafficking in Human Beings. It called upon CoE member states to ratify the convention concerned as soon as possible. The convention was signed so far by 36 countries and ratified by 9 states – Albania, Austria, Bulgaria, the Czech Republic, Croatia, Georgia, Moldova, Romania and Slovakia, but 10 ratifications are required for enforcement of which 8 ratifications by CoE member states. In addition, 31 bilateral agreements on fight against crime, organised crime, trafficking in human beings and on readmission of persons have been signed with 22 states, in order to establish an international cooperation..

¹³² www.lastrada.md;

¹³³ For more details, visit the websites of MHA, centre for the struggle against trafficking in human beings, Prosecutor-General's Office, etc.;

¹³⁴ www.eubam.org;

Monitoring grid 10. Borders, migration and trafficking in human beings

Indicators / Areas	Evolutions / involutions 3rd Quarter of 2007	Practical impact of changes	Factors encouraging/discouraging the progress	Quantification of progress in 3rd Quarter of 2007	Sources used for assessment
State border guard concept	<ul style="list-style-type: none"> The draft law on Border Guard Service was passed in the final reading. 	<ul style="list-style-type: none"> Updating of legislation in line with the 2003 state border guard concept, accelerated modernisation of the Border Guard Service; 	<ul style="list-style-type: none"> Assistance of European experts for in drafting and enforcing the legislation accordingly to European standards. 	+ 1	<ul style="list-style-type: none"> Border Guard Service, Moldovan Parliament;
Cooperation between border management agencies	<ul style="list-style-type: none"> EUBAM monitored the implementation of the Joint Declaration on Moldovan-Ukrainian customs regime at the border; EUBAM assisted Moldovan and Ukrainian customs and border guard services in the shape of training, advisory, technical assistance and equipment; Study visits to Finland, Austria and Hungary within the BOMMOLUK Programme; 	<ul style="list-style-type: none"> EUBAM and BOMMOLUK helped improving the activity of customs and border guard services and the cooperation between transborder agencies; Reduction of illegal trade and offences at the Moldovan-Ukrainian border, including the Transnistrian segment. 	<ul style="list-style-type: none"> Support of EU and European institutions for strengthening of skills and cooperation of customs and border guard services of Moldova and Ukraine; 	+ 1	<ul style="list-style-type: none"> EU, MFAEI, BGS, EUBAM (www.eubam.org), Soderkoping Secretariat;
Continuation of Soderkoping Process and regional cooperation	<ul style="list-style-type: none"> A Moldovan delegation attended the meeting of high-ranking functionaries within the Soderkoping Process, reporting the implementation of a data and information exchange mechanism in migration field; Moldova hosted a forum of GUAM customs and border guard services; Chisinau hosted a workshop on the role of NGOs in transborder cooperation. 	<ul style="list-style-type: none"> Consolidation of cooperation at regional, European and international levels for a better control on trans-national risks (illegal migration, trafficking in human beings, smuggling, etc.) and a better control. 	<ul style="list-style-type: none"> Moldova's active participation in the Soderkoping Process, cooperation with relevant services within GUAM and other regional forums; 	+ 1	<ul style="list-style-type: none"> Soderkoping Secretariat, Moldpres;
Monitoring and evaluation of migration	<ul style="list-style-type: none"> Better monitoring and evaluation of migration by specialised organisations to Moldova (IOM, ICMPD, OSCE, Winrock, etc.) Activity of newly-created structures in charge with monitoring and managing migration (subdivisions of MHA and MEC) is produces first results; Creation of the integrated automatic information system in the field of migration; 	<ul style="list-style-type: none"> International cooperation in migration area; Moldova's participation in the AENEAS Programme; Consolidation of skills in implementing migration and asylum practices; Competent NGOs held seminars, conferences, workshops on migration; Imperceptible, but with optimistic expectations as regards operative data; 	<ul style="list-style-type: none"> Local and international cooperation between competent structures and authorities; EUBAM support; Institutional inertia of structures participating in this process; 	+0.5	<ul style="list-style-type: none"> MHA (MAB), OIM and ILO Chisinau, OSCE, MEC;
Visa policies and adjustment of legislation to EU norms	<ul style="list-style-type: none"> Work of the Joint EU Visa Issuance Centre; Ratification of readmission agreements with EU; 	<ul style="list-style-type: none"> Higher number of visa applicants and number of issued EU visas; New CCEV member states; Restrained temporary framework; Difficulties to get visas. 	<ul style="list-style-type: none"> Efficient cooperation between EU officials and Moldovan authorities; Strict visa issuance conditions for common citizens; 	+1	<ul style="list-style-type: none"> MFAEI, CoE, EU diplomatic missions to Moldova, etc.
Prevention of trafficking in human beings and assistance of victims	<ul style="list-style-type: none"> Efficient cooperation between international and national missions in preventing and assisting victims of human trafficking; Opening of community centres of assistance and protection of victims of trafficking in persons; Informative seminars for population aimed to prevent the trafficking in human beings. 	<ul style="list-style-type: none"> Seminars and workshops on trafficking in human beings and victims of human trafficking; Financial and logistic contributions of international organisations for prevention and assistance of victims of trafficking in human beings; Raising awareness of citizens; 	<ul style="list-style-type: none"> Cooperation between state bodies and relevant organisations; Enforcement of the regulation on organisation and functioning of specialised institutions. 	+1.5	<ul style="list-style-type: none"> LaStrada, MHA (CSTHB), OSCE, IOM, etc.;

<p>Coordination of actions and combat of phenomenon</p>	<ul style="list-style-type: none"> • Better cooperation between state structures, police bodies and competent organisations; • Filing of cases and higher number of tried traffickers in human beings delivered; • More intensive development of international cooperation; 	<ul style="list-style-type: none"> • Receptive mass media towards human trafficking cases; • Cooperation between specialised NGOs and police structures in preventing and combating the trafficking in human beings; • Quality of trials leaves much to be desired here and there; • Experience; • Bodies in charge with combating the trafficking in human beings react more promptly; 	<ul style="list-style-type: none"> • Intense work of Moldovan NGOs in assisting victims of trafficking in human beings; • Delayed ratification of the CoE Convention Against Trafficking in Human Beings by some states; 	<p>+1</p>	<ul style="list-style-type: none"> • MHA, Prosecutor-General's Office, MHA (CSTHB)
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ABOUT PROJECT AND ORGANISATIONS

This report is published as part of the project “The European Union - Republic of Moldova Action Plan: A document accessible to public (2nd phase)”. The project is being implemented by two non-governmental organisations: ADEPT and EXPERT-GROUP, and it is financed by Soros-Moldova Foundation. The concept of this project was born in a dynamic political context, which was determined by political, economic, and social factors. In this context, implementation of the E.U.-Moldova Action Plan will be a complex and an important task as well. The Government, the MFAEI, and other central public authorities will play a key role in the enforcement of this Plan. And the civil society, too, plays an important role both in promoting the Plan in society and in monitoring the implementation process.

Under these circumstances, the project is designed to create a wide and open framework for promotion of debate in Moldovan society concerning the implementation of the Action Plan. It bears therefore two objectives:

Objective 1: Improving knowledge about the E.U.-Moldova Action Plan among nongovernmental organisations and society in general, in order to facilitate their participation in discussion regarding Moldova’s European policy.

Objective 2: Lobbying for adoption of public policies via the analysis and expertise in areas envisaged by the E.U.-Moldova Action Plan, in a way that makes the process more efficient, more transparent, and more focussed on achieving the actions described in the Plan.

The Association for Participatory Democracy ADEPT is a non-government, not-for-profit, independent, and non-partisan organisation, which is acting in the Republic of Moldova. ADEPT was registered in January 2000. It has gained status of an organisation working for public benefit. ADEPT is an analytical and practical centre that offers expertise in electoral and democratic processes in Moldova, in South-Eastern Europe, and in the Commonwealth of Independent States. The mission of ADEPT is to promote and to support citizen participation in all aspects of public life.

EXPERT-GRUP is an independent think tank that acts in the Republic of Moldova. Being a nongovernmental organisation, EXPERT-GRUP is not affiliated politically to any party and it decides independently on its institutional strategy. The mission of EXPERT-GRUP is to contribute to the economic and democratic development of Moldova and to consolidation of Moldova’s international competitiveness. The organisation uses analyses and research at international quality standards as its practical instruments to achieve these goals. Economic policy, European integration, private and public management are the areas where EXPERT-GRUP expertise is applied.