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**European Union – Republic of Moldova Action Plan:
Assessment of progress in January-February 2008**

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Note: *The authors have drafted this report with goodwill and good intentions. The authors are solely responsible for their opinions and conclusions, which are not necessarily shared by the Soros-Moldova Foundation, Moldovan Government and other institutions mentioned in this report.*

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List of monitoring grids:

ABBREVIATIONS AND ACRONYMS

ATP –Autonomous Trade Preferences;
BGS – Border Guard Service;
CCTP – Centre for Combating Trafficking in Persons;
CEC – Central Electoral Commission;
CHRM – Centre for Human Rights of Moldova;
CIS – Commonwealth of Independent States;
CoE – Council of Europe;
CPA Reform – Central Public Administration Reform;
EC – European Commission;
ECHR – European Court of Human Rights;
EGPRSP – Economic Growth and Poverty Reduction Strategy Paper;
ENP – European Neighbourhood Policy;
EU – European Union;
EUBAM – European Union Border Assistance Mission to Moldova and Ukraine;
EUMAP – European Union – Moldova Action Plan;
GDP – Gross Domestic Product;
IOM – International Organisation for Migration;
LPA Reform – Local Public Administration Reform;
OSCE – Organization for Security and Cooperation in Europe;
MFAEI – Ministry of Foreign Affairs and European Integration;
MIA – Ministry of Internal Affairs;
MID – Ministry of Information Development;
NBM – National Bank of Moldova;
NBMI – National Bureau for Migration;
NBS – National Bureau for Statistics of the Republic of Moldova;
NCEI – National Commission for European Integration;
NHRAP – National Human Rights Action Plan
PACE – Parliamentary Assembly of the Council of Europe;
PCA – Partnership and Cooperation Agreement;
PGO – Prosecutor-General’s Office;
PRGF – Poverty Reduction and Growth Facility;
PSC – Political and Security Committee;
RM – Republic of Moldova;
SCJ – Supreme Court of Justice;
SCM – Superior Council of Magistracy;
SPSEE – Stability Pact for Southern Eastern Europe;
USD – U.S. dollar;
4thQ-2007 – 4thrd 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 reports are published in 2008 with the support of Soros-Moldova Foundation within the project "*Moldova-EU Relations – Improving Public Information and Debate on Key Developments*". The monitoring methodology did not essentially change in comparison with previous issues of Euromonitor that covered the developments in 2005-2007.

The progress in implementing the Action Plan is assessed 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. International trade;
7. Business climate;
8. Border, migration and trafficking in human beings.

Authors have tried to identify what they regarded as key progress and shortcomings. However, this does not exclude that certain important segments or accomplishments have not been covered by this analysis. The authors 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 authors have been worked out. Every indicator was evaluated on the scale -2 to +2, as follows:

-2	Major regress
-1	Moderate regress
0	No changes
+1	Moderate progress
+2	Major progress

The progress was calculated as a simple average of experts' assessments when experts have been interviewed. The evolution of indicators for every area is indicated in the appropriate monitoring grid. The grid indicates the dynamics in the last two months of implementation of EUMAP (January-February 2008), factors that conditioned this evolution, practical impact of observed developments, as well as the size of the progress.

The Action Plan is a document formulated in quite 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 authors to monitor the evolution of the Plan continues to be open for public debates and recommendations.

Political dialogue and democratic institutions

The dynamics of the EU-Moldova **political dialogue** continued to be positive in January-February 2008. The European Commission decision to provide the Autonomous Trade Preferences to Moldova and priorities of the European integration process set by Moldovan authorities for 2008 were key progress in relations between the parties. Moldovan and European officials have paid reciprocal official visits and the EU-Moldova Political and Security Committee (PSC) Troika and EU-Moldova Cooperation Subcommittee II have held meetings in the period concerned. Also, the General Affairs Council has drawn conclusions on EU-Moldova relations.

The key progress in the area of **democratic institutions** was to adopt the law on meetings and to sign two CoE conventions. Moderate progress includes the approval of the Law on probation and the elaboration of the draft national Strategy on conditions required to develop civil society in 2008-2011. On the other hand, serious shortcomings are linked to the sentencing of Moldova in another 8 cases by ECHR, with Moldova being told to pay record pecuniary and non-pecuniary damages, delayed important actions stipulated by EUMAP and NHRAP and adoption of regulations in this area. Also, breaches of the labour legislation have been noticed.

Consolidation of administrative capacity

The *Central Public Administration* reform is basically materialised through legislative and normative acts, but there are shortcomings in this area, too (formal, in essence). Reorganisations, cutbacks and other structural changes are often promoted ad-hoc, though they are argued through functional analysis. No essential progress was noticed in the area of *Local Public Administration* Reform and, even more, negative trends have deepened (conflicting relations between the opposition LPA and CPA). Authorities work hard to *prevent and combat the corruption*, but their actions do not cover sufficiently and efficiently areas such as the *depoliticising* of public administration, enhancement of *probity and transparency* of governance. The struggle against big corruption, effective enforcement of laws and investigation of corruption-related cases raise serious concern so far.

Transnistrian conflict

President Voronin's initiatives aimed to strengthen confidence between Chisinau and Tiraspol have built a favourable context for an agreement between Russian and Ukrainian presidents "to intensify the diplomatic dialogue in order to find a common ground and settle the Transnistrian conflict" in the 5+2 format. In this context, President Voronin has informed the public that a package of documents was worked out and shared with mediators and observers, and the Transnistrian conflict will be settle on its basis. The package concerned envisages the status of Transnistria; necessary guarantees; withdrawal of weapons from the region; withdrawal of the Russian military presence; civic peacekeeping mission, and it does not include any regulations to unfit the July 22, 2005 law on basic principles of the status of the Transnistrian region of the Republic of Moldova. In spite of these regulations, the negotiation process did not progress so far. On the contrary, there were alarming evolutions in the security zone and Transnistrian leaders attempted to set up a "ministry of territories" in order to recover localities which they believe should be controlled by Transnistria, not by Chisinau. In order to increase efforts aimed at relieving the negotiation process, OSCE Chairman-in-Office Ilkka Kanerva has nominated Finnish diplomat Heikki Talvitie as the OSCE Special Representative for the Transnistrian problem.

Justice

Progress in this area are linked to the adoption of the law on *alternative ways to settle litigations* and a certain improvement of situation in *prisons*. The *quality of justice-making* is improving, but the situation in this area is unsatisfactory so far. Shortcomings are related to *short financing, heavier burden of cases and lack of an adequate reaction by legislative and executive authorities*, as well as to actions that *restrain the immunity of judges*, which hit the independence of magistrates as well. The Prosecutor's Office continues to be an institution which is wanted to be reformed, but *effects of the reform are imperceptible* so far.

Development and economic reforms

The signing of the Memorandum on Economic and Financial Policies for 2008 with the International Monetary Fund was the key progress in January-February 2008. Under the memorandum, the Moldovan Government commits itself to maintain macroeconomic stability by keeping a budgetary deficit of maximum 0.5 percent of GDP and a one-digit inflation rate. While the budgetary deficit was maintained accordingly to the established rate, it is harder to fulfil the second objective, given the inflationist paces earlier this year. The global price rise of food products affects the flatly importing Republic of Moldova, particularly people from lower consumer categories, increasing the risk to enter into poverty. NBM does its best to accomplish the established objective, though it cannot control some factors. Starting 2008, the central bank holds one more efficient instrument to sterilise liquidity on market by converting state loans into state securities. The industry is also speedily developing. Although it is just recovering, this is a great growth and it could reach 20 percent by the end of the year.

International trade

Developments in the field of foreign trade varied between stagnation and progress in January-February 2008. The entry into force of the ATP may be described as a progress, but slow progress in implementing sanitary and phytosanitary standards will seriously limit their positive effects. The external trade of Moldova is affected in continuation by increasing trade deficit, though the Russian embargo on Moldovan spirits has been lifted. The dynamics of spirits exports reveal the continued predilection of Moldovan producers for CIS markets, which cover more than 2/3 of Moldovan wine exports. The “eastern” vector in Moldovan trade will slightly prevail on the “western” vector on a short perspective, as the withdrawal of the “wine” embargo and the rise of the consumer demand in CIS will have stronger immediate effects on Moldovan exports than the Autonomous Trade Preferences.

Business climate

A number of important laws entered into force on January 1, 2008 to improve the business environment: the law on basic entrepreneurship regulatory principles, the law on accounting, and the law on auditing, amendments to the Fiscal Code. However, it is too early to assess their impact. At the same time, an exchange of information between the National Bureau for Statistics, Main State Tax Inspectorate and State Chamber of Registration shall be ensured for an adequate functioning of laws expected to enter into force. In the Memorandum on Economic and Financial Policies signed with IMF in 2008 the Government commits itself to privatise two major companies: Banca de Economii and Moldtelecom. As regards S.A. Moldtelecom, the modality of privatisation and priorities are very important: ensuring a perfect competitive environment and a free access to all operators, or as high as possible profit after the privatisation.

Border, migration and trafficking in human beings

Progress in this area is the following: greater assistance, cooperation between agencies, continuation of EUBAM, training of employees and other subjects concerned, entry into force of earlier adopted laws and negotiations on signing of new agreements with EU (on visa facilitation and admission), stronger fight against trafficking in human beings. *Shortcomings* consist in delayed adoption of the Concept of the state border guard and other planned actions, lack of updated statistics.

1. POLITICAL DIALOGUE AND DEMOCRATIC INSTITUTIONS

Political dialogue: general assessments

- President Voronin was on an official visit to Brussels on January 14, 2008. The key meeting of the Moldovan president from his visit agenda was with José Manuel Barroso, President of the European Commission. Mr. Barroso reconfirmed the December 5, 2007 initiative made by the European Commission via the Communication *A Strong Neighbourhood European Policy* to roll over the EUMAP implementation term. In spite of Moldova's progress in implementing the EUMAP stressed by Mr. Barroso at a press conference after meeting Mr. Voronin, the European official concluded that the EUMAP remains effective as an instrument of EU cooperation with Moldova as long as the potential of this document is not completely explored.
- Brussels hosted the Meeting of the EU-Moldova Political and Security Committee (PSC) Troika on January 16. The talks between parties have generally focussed on the Transnistrian issue: initiatives by President Voronin aimed to build confidence between Chisinau and Tiraspol; EU readiness to assist Moldova for this purpose under the shape of expertise and financial support; activity of EUBAM, etc.
- The EU Council gave green light on January 21 to a proposal by the European Commission to provide the Autonomous Trade Preferences to Moldova.
- The 4th Meeting of the EU-Moldova Cooperation Subcommittee II on Economy, Finances and Statistics took place in Brussels on January 23. The meeting assessed the implementation of EUMAP and tackled a series of issues linked to the economic condition of Moldova. In particular, it focussed on management of public funds, regulatory reform, the National Development Strategy for 2008-2011. As regards talks on regulatory reform, EU representatives stressed the need of setting up a transparent mechanism to examine and draft normative acts regulating the entrepreneurship.
- President Voronin told the meeting with diplomatic corps to Moldova on January 25 that **improving justice, consolidating human rights and social guarantees** will be Moldova's priorities in the European integration process in 2008. At the same time, Minister of Foreign Affairs and European Integration Andrei Stratan has told a similar meeting that Moldova's priorities in the dialogue with the EU in 2008 include among others the **complete implementation of EUMAP; launching of negotiations on a new cooperation document with EU; implementation of the visa facilitation and readmission agreements and implementation of ATP**. The National Commission for European Integration (NCEI) generally confirmed these priorities at a January 25 sitting. NCEI completed these priorities with the **diversification of political dialogue with EU; development of cooperation on justice, trade, migration; participation in community programmes; harmonisation of legislation; attraction of other countries in the Common Visa Application Centre (CVAC)**.
- Mrs. Benita Ferrero Waldner, European Commissioner for External Relations and European Neighbourhood Policy, visited Chisinau on February 14-15. In Chisinau the European official met Moldovan dignitaries and visited the Moldova State University (MSU) and addressed students and professors there. During talks with Moldovan officials Mrs. Benita Ferrero Waldner reconfirmed that the EU will consider the possibility to sign a new agreement with Moldova only after the "complete implementation of EUMAP." She praised Moldovan authorities for the progress they made in implementing the EUMAP, but signalled problematic areas which require more efforts.
- On February 18, 2008, the Foreign Affairs Council drew its conclusion on EU-Moldova relations.¹ The Council noted the positive dynamics in EU-Moldova relations in the last 12 months, stressed the need of EU efforts to help settling the Transnistrian conflict and welcomed Moldova's active alignment to EU declarations on Common Foreign and Security Policy (CFSP). The Council also welcomed the progress made by Moldova in the last three years to implement the EUMAP. At the same time, it stressed the necessity of continuous efforts by Moldova to strengthen the democracy, the rule of law, the respect for human rights and fundamental freedoms, including freedom of the media, *inter alia* for the perspective of parliamentary elections; to strengthen the anti-corruption fight; to improve the investment climate, in particular, the transparency and predictability of the regulatory framework. The EU Council reiterated that the EU is ready to reflect on a new agreement with Moldova which would be deeper than the PCA, in the light of Moldova's progress in implementing the EUMAP.

Human rights

Progress:

The Parliament adopted the **law on meetings (Objective (10) of EUMAP)**² on February 22. Under the new law, organisers will have to notify the local public administration about the place and hour of the meeting and local public authorities will not have the right to decide on opportunity to hold meetings but they will be free to recommend another

¹ EU Council (2008), *Council Conclusions on relations with the Republic of Moldova*, 2850th General Affairs Council meeting, Brussels, 18 February, <http://www.delmda.cec.eu.int/whatsnew/pdf/080218%20Council%20Conclusions%20on%20Moldova.pdf>;

² GD # 113 from 03.02.2007 approving the priority action plan on implementation of EUMAP in 2007 stipulated the adoption of the law on meetings in the 4th quarter of 2007;

location or time for the meeting, with the last decision resting with the organisers. It keeps possibilities to limit some meetings with the purpose to protect general and common interests of society.

Shortcomings and problems:

- In January-February 2008 the European Court of Human Rights (ECHR) has passed eight decisions vs. Moldova on the following cases: *Bulava vs. Moldova*, *Ceachir vs. Moldova*, *Rusu vs. Moldova*, *Cravcenca vs. Moldova*, *Balan vs. Moldova*, *Oferta Plus SRL vs. Moldova*, *Guja vs. Moldova*, and *Flux (no.4) vs. Moldova*.³ It sentenced Moldova for violation of rights to a fair trial, effective appeal, and protection of property and freedom of expression. Moldova will have to pay 2,535,104 euros or about 41,322,195 lei in the *Oferta Plus SRL vs. Moldova* case, with this amount being higher than the one Moldova has paid until now when it was sentenced by ECHR (about 1.98 million euros or 32.64 million lei). Moldova will have to pay 2,608,791 euros (about 42.54 million lei) in all eight cases. The Strasbourg-based Court has sentenced Moldova in 113 cases before February 2008.⁴

Prevention of torture. Rights of detainees

Progress:

- The law on probation was approved in February. It ensures legal bases for the functioning of the probation service and facilitates the reintegration of former detainees into society.

Shortcomings and problems:

- **Obligations to set up a unitary and efficient system for the social adaptation of former detainees have not been fully honoured (Chapter 14 of NHRAP⁵; Objective (4) of EUMAP).** According to the Department of Penitentiary Institutions (DPI), only 40 percent of all former detainees get employed and many of them go back to prisons.
- **Temporary detention facilities (TDF) have not been transferred from the jurisdiction of MIA to MJ (Chapter 7 of NHRAP; Objective (4) of EUMAP).**⁶

Rights of employees

Progress:

- The Government has modified the Code of Administrative Contraventions, introducing harsher sanctions for salary arrears.

Shortcomings and problems:

- According to the Prosecutor-General's Office (PGO), the Labour Inspection does not ensure enough the respect for labour legislation. A proof in this regard is the big number of petitions signalling violation of rights to labour and seeking labour protection submitted to the PGO and other competent authorities, as well as the big number of labour-related litigations settled by law courts. PGO assessed cases of employment without labour contracts, it noticed that employers violate labour protection norms and regulations, ignore labour security and this raises the number of labour accidents. According to PGO, most of work accidents take place at building, social service, agricultural and transportation enterprises.

Child rights

Progress:

- The Ministry of Education and Youth (MEY) launched in February 2008 the project "School – A Violence-Free Environment" to respond to findings of two UNICEF surveys, which revealed that 34 percent of the interviewed schoolchildren have been insulted by teachers and 13 percent have been physically abused. Teachers and schoolchildren will benefit by informative support and training courses against violence within this project.
- A governmental decision entered into force on February 22 to raise by 1-3 lei up to 20 lei the daily state allocation for nutrition of schoolchildren from boarding schools and vocational schools for disabled persons.

Shortcomings and problems:

- So far, the Government does not pay enough attention to children whose parents are abroad.

³ www.lhr.md;

⁴ Damages for all cases account for about 4.54 million euros or 74.34 million lei;

⁵ NHRAP stipulated this activity for 2004.

⁶ GD # 113 from 03.02.2007 stipulated the transfer of DPI from jurisdiction of MIA to MJ in 2007.

Ensuring rights to association

Progress:

- Law # 294-XVI from 21.12.07 concerning political parties was promulgated.
- The Democratic Party of Moldova (DPM) and the Social Liberal Party (SLP) merged in February 2008 on the legal basis of the first.

Shortcomings and problems:

- The leader of the Republican People's Party (RPP), Nicolae Andronic, has a new criminal case on his name, being accused of misusing authority when he was first deputy premier in the late 1990s. Andronic claims that this case is based on political reasons.⁷

Fulfilling recommendations by Council of Europe / Executing ECHR decisions

Progress:

- In January 2008 Moldova signed two CoE conventions, in particular, the Convention on Cinematographic Co-production and the Framework Convention on the Value of Cultural Heritage for Society. Following the signing of joint CoE-EU cooperation programmes for South Caucasus, Ukraine and Moldova for 2008-2009 in December 2007, Strasbourg hosted a meeting in early February to plan actions within these programmes. Deputy Minister of Foreign Affairs and European Integration Valeriu Ostalep has noted during talks on these programmes that priority directions of Moldova-CoE cooperation include among others free and fair elections, freedom of expression and mass media; development of partnership with civil society; promotion of non-judicial mechanisms to protect human rights; protection of rights of the Roma minority.

Shortcomings and problems:

- Moldova continues to be behind with implementing the programme of legal actions assumed in accordance with commitments by CoE member states. In particular, it **did not adopt a new law on status of the Chisinau municipality and the Code of Education Laws**. Also, competent authorities did not investigate "criminal charges filed against national and local opposition leaders," nor they "condemned the way the People's Assembly of Gagauzia has dismissed the Comrat mayor."⁸

Cooperation with civil society

Progress:

- The draft national strategy on ensuring conditions to develop civil society in 2008-2011 was worked out. It stipulates the establishing of an Advisory Board for the development of civil society to advise prime minister, and at least ¼ would represent the civil society. Also, the draft stipulates the setting up of a National Fund via which the state will finance initiatives, projects and programmes by civil society. This would be an important step to establish a reciprocally advantageous partnership between Government and civil society.

Shortcomings and problems:

- Although the dialogue between authorities and civil society had a positive dynamic in 2007, it leaves much to be desired. On one hand, majority of public authorities still manifest a dose of formalism or ignorance over participation of NGOs in promoting public policies, while on the other hand there are few NGOs capable to bring a value-added to this process.

Freedom of mass media and access to information

Progress:

- No great progress was noticed.

Shortcomings and problems:

- **Objective (9) of EUMAP was not fully accomplished.** It stipulates state financial assistance for the mass media which will be provided on the basis of strict and fair criteria and requirements for all media outlets;

⁷ Penal cases have been earlier filed against opposition leaders. The persons concerned also invoked political motivations of cases filed against them. Their guilt was not proved after criminal investigations (Urechean, Musuc cases);

⁸ PD # 284-XVI from 11.11.2005 concerning the approval of the legislative action programme accordingly to the Resolution and Recommendations by the Committee on the Honouring of Obligations and Commitments by Member States of the Council of Europe.

- Media organisations have raised concern with criminal charges filed against director of the newspaper „Timpul de Dimineata”, who has allegedly “called for hatred and national splitting” during a meeting, accordingly to the Prosecutor’s Office. According to statements released by media organisations, the criminal case is based on a narrow interpretation and contravenes to Moldova’s commitments to respect the freedom of expression⁹;
- According to a former member of the Audio-visual Coordination Council (ACC), Constantin Rotaru, there are politicising trends in this institution. These trends explain the withdrawal of the broadcasting licence from TVR1, Rotaru noted;
- Representatives of the Centre for Combating Economic Crimes and Corruption (CCECC) have operated a financial control at the radio station „Vocea Basarabiei” in February, which accordingly to the station administration aimed to verify the management of resources from projects supported by Romanian Government. The control followed a criminal case filed for having called for “subversion or violent change of the constitutional regime” during “Forum” programmes. „Vocea Basarabiei” representatives have described CCECC actions as intimidation.¹⁰

⁹ Statements by PEN Club of Moldova, IPA and IJC, MJU, <http://www.azi.md/news?ID=48100>;

¹⁰ Article “CCECC storms “Vocea Basarabiei””, „Timpul” newspaper, issue 817, 27 February 2008;

Monitoring grid 1. Democratic institutions

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
Human rights / Ensuring rights to association	<ul style="list-style-type: none"> Adoption of the Law on meetings; ECHR sentenced Moldova in another 8 cases; Important tasks stipulated by Chapters 7 and 14 of NHRAP and Objective (4) of EUMAP are not fully honoured so far; 	<ul style="list-style-type: none"> Improvement of legislation in the area; Spending of public funds to compensate pecuniary and non-pecuniary damages to applicants; undermined credibility of the national judiciary; deteriorated image of Moldova; Many former detainees fail to get employed and rejoin the society; detainees face inhuman treatment in continuation; 	<ul style="list-style-type: none"> Commitments assumed by Moldova by signing the EUMAP; recommendations / assistance by specialised international and national organisations; Low effectiveness of the mechanism to punish persons who are to blame for the sentencing of Moldova; low quality and professionalism of judgments / judges; Low interest of decision makers; shortage of budgetary resources; 	+0.5	<ul style="list-style-type: none"> Moldovan legislation; Minutes of parliamentary sittings; ECHR decisions; www.lhr.md; NHRAP; Mass media;
	<ul style="list-style-type: none"> Merger of DPM and SLP; 	<ul style="list-style-type: none"> Consolidation of the new party; 	<ul style="list-style-type: none"> Results of local elections; forthcoming campaign for the 2009 parliamentary elections; 	+0.5	<ul style="list-style-type: none"> www.pdm.md; www.parties.e-democracy.md; Mass media; Estimates by authors;
CoE recommendations / Execution of ECHR decisions	<ul style="list-style-type: none"> Signing of the Convention on Cinematographic Co-production and Framework Convention on the Value of Cultural Heritage for Society; The law on status of the Chisinau municipality and the Code of Education Laws were not adopted so far; 	<ul style="list-style-type: none"> Consolidation of regulatory framework in the area; New disputes occurred between representatives of central and municipal administrations, given the lack of a law on Chisinau municipality; delayed honouring of commitments towards CoE; 	<ul style="list-style-type: none"> Willingness of authorities; Moldova's commitments towards CoE; Low administrative capacities; 	+0.5	<ul style="list-style-type: none"> Minutes of parliamentary sittings; www.parlament.md; Mass media; Estimates by authors;
Cooperation with civil society	<ul style="list-style-type: none"> Elaboration of the draft strategy on ensuring conditions to develop civil society in 2008-2011; 	<ul style="list-style-type: none"> Anticipation of a new framework to debate the development of a lasting Government-NGO partnership; 	<ul style="list-style-type: none"> Activism of the Parliament leadership; demands by NGOs; recommendations by international organisations; 	+0.5	<ul style="list-style-type: none"> Official press services; Mass media;
Freedom of mass media / Access to information	<ul style="list-style-type: none"> Objective (9) of EUMAP was not fully fulfilled; Criminal charges filed against „Timpul de dimineata” 	<ul style="list-style-type: none"> Delayed honouring of commitments assumed when the EUMAP was signed; Encouraging protests by important media organisations; 	<ul style="list-style-type: none"> Political unwillingness; lack of necessary mechanisms and institutional infrastructure to manage programmes, projects on support of mass media; shortage of budgetary resources; Narrow interpretation of some statements by journalists, according to media and human rights organisations; 	- 0.5	<ul style="list-style-type: none"> EUMAP; Statements, communications and appeals by specialised organisations; Mass media; Estimates by authors;

2. CONSOLIDATION OF ADMINISTRATIVE CAPACITY

Administrative reform / Administrative efficiency

Progress:

Central Public Administration (CPA) Reform:

- Relevant legislative and normative acts have been adopted: the Code of conduct for public servants (Law # 25/2008); the Law on the conflict of interest (adopted on 15.02.2008); the Action Plan on implementation of the CPA Reform Strategy in 2008 (GD # 59/2008); the Action Plan on implementation of the national development strategy for 2008-2011 (GD # 191/2008); the 2008 National Plan on harmonisation of legislation (GD # 76/2008); the Action Plan on implementation of the concept concerning optimisation of the number of employees in budgetary sector in 2008-2010 (GD # 239/2008); the methodology of elaboration of plans on institutional development of CPA authorities (Nr.2-d/2008).
- The Government has approved *the state order* for 2008 concerning the professional training of the public administration personnel in the Academy of Public Administration under the President of Moldova (GD # 133/2008); more than 1,000 functionaries of central and local authorities will be trained on management, internal auditing, secretariat, ethics and communication, community development, administrative-financial activity, etc.
- The regulation on *Policy analysis and Coordination Division* in the Government Apparatus has been approved to ensure the drafting, coordination, implementation, monitoring and evaluation of policy documents by central public administration authorities and organise the CPA Reform implementation process.
- The Advisory Board for the supervision of CPA Reform held a sitting on January 16, 2008 and discussed the results of the CPA reform in 2007 and actions to be taken in 2008, with the CPA Reform being expected to improve the decision-making process, including the strategic planning in the context of delimitation of functions between ministries and other central public authorities and modernisation of procedures of providing public services to individuals and economic agents.
- GD # 74/2008 approved the *Strategy on development of internal public financial control* aimed to help improving the management of public funds, accordingly to Point (42) of EUMAP.

Local Public Administration (LPA) Reform

- Although late, the Government has approved several acts aimed to enforce earlier adopted laws on LPA: the decision on actions to implement the regional development law in Moldova (GD # 127/08.02.2008), which establishes the National Coordination Council for Regional Development, the National Fund for Regional Development administrated by the Ministry of Local Public Administration (MLPA) and Regional Development Agencies (North, Centre and South), as a public legal entity subordinated to the Ministry of Local Public Administration; the decision on approval of the nominal composition and the regulation of the parity commission for administrative decentralisation (GD # 93/04.02.2008);
- The Ministry of Local Public Administration has presented to municipal authorities the new draft *Law on the status of the Chisinau municipality*¹¹ that will regulate relations between municipal authorities, structure and competences of the Municipal Council and City Hall, decision-making methods, etc.

Development of information technologies (IT)

- The Government has decided to build the state enterprise *Institute of Information Society Development* (on basis of a structure of the Academy of Sciences) to coordinate researching-development, innovation and technological transfer in IT field (GD # 180/2008);
- A joint sitting of the Information and Security Service (ISS) and Ministry of Information Development (MID) on January 24, 2008 focussed on *ensuring information security*;
- According to data of regulatory authorities, in 2007¹² the number of telecommunication and information providers has grown (by 261 up to 1.214 units); the number of Internet customers has increased very much due to connections via mobile telephony (about 730,000 subscribers, of them 674,800 subscribers to mobile Internet services); the number of broad band Internet connections has increased by 116.4 percent and exceeded 47,100, but it is very low so far – 1.38 percent per 100 residents (this rate is about 20 percent in EU); the business figure amounted to about 226 million lei, by 17 percent more than in 2006.

Shortcomings and problems:

- *The honouring of all actions needed to implement the CPA Reform Strategy is late* (the plan approved under GD # 54/2007): Point 1 Section 3); Point 4 Section 2); Point 5 Section 4); Point 6; Point 7; Point 8 Section 1); Point 12; Point 13 Section 3); it was noted at a sitting of the advisory committee for the supervision of CPA Reform that more insistence is required to implement the reform, which will be accelerated;
- *The practical and qualified implementation of legislation is still part of most difficult problems*, and the system based on the “vertical of the power” halts real and efficient reforms¹³;

¹¹ Adoption of the status accordingly to the European Chart on Local Self-Governance is a drawback of Moldova towards the Council of Europe, as actions in this area should be finished on summer 2006 (PD # 284/2005, Point 5);

¹² According to ANRTI data, www.anrti.md;

¹³ See also the interview with APE director Andrei Popov published by Infotag Agency;

- Some regulations promoted as part of CPA Reform have fuelled critical reactions because of *imperfect norms and limited aspects* regarding transparency, access to information, deficiencies to establish responsibility¹⁴;
- Previous decisions on reorganisation *are abrogated or reformulated* at initiative of authorities who had to execute the reorganisation¹⁵;
- Central authorities *boycott and ignore* representative assemblies of local elected officials¹⁶; mayors signal the lack of a real local autonomy¹⁷; Local elected officials signal in continuation that central or regional authorities controlled by the ruling party persecute and intimidate them without grounded reasons¹⁸; there are abuses, incompetence and violation of legislation within certain LPA authorities¹⁹; law courts accept lots of appeals in the administrative solicitor's office (62.8 percent of accepted appeals)²⁰;
- *Funds are allocated for unimportant goals in continuation*: GD # 209/2008 (580,000 lei to open the Year of Youth); GD # 193/2008 (4 million lei was allocated for non-transparent subsidising of expenses for sowing of farm land); GD # 188/2008 (300,000 lei for single financial aid to the Organisation of Veterans from Moldova); GD # 1302008 (61,300 lei, 75,598 lei, 3,000 lei for receptions and ceremonies organised by Moldovan president); GD # 113/2008 (320,000 to buy a car for the Certification Chamber); DD # 92/2008 (2.731 million lei to renovate offices); GD # 64/2008 (298,000 lei to finance manufacturing of symbols and diplomas of the state prize for accomplishments in quality area in 2007 and awarding ceremony); GD # 31/2008 (441,229 lei to publish international treaties which entered into force in 2005-2007);
- Some actions stipulated by the National Strategy "E-Moldova" in 2007 are late (GD # 606 from 01.06.2007); the Republic of Moldova is rated a country with a very high software piracy²¹; the IT sector needs much support by authorities.²²

Depoliticising public administration

Shortcomings and problems:

Legislative acts do not promote the depoliticising of public administration and the ruling majority has a hostile attitude over other parties.

There were many cases of political meddling into activity of local public administration, independent administrative authorities in the first two months of this year, as well as attempts by central authorities and their representatives to influence or boycott decisions by local authorities: central authorities have plans to dispossess municipal authorities without their consent²³; conflicts and altercations between representatives of the General Police Department of the Chisinau municipality and Chisinau City Hall²⁴; a police officer from the district of Cimislia was admonished for cooperating with LPA representing other party²⁵; a member of the electronic media watchdog CCA has resigned because of political interests inside this institution²⁶; Chisinau mayor-general is accused of promoting a personnel policy based on political criteria.²⁷

Interference of administrative and economic interests

Progress:

Relevant normative acts have been adopted:

- The regulation on sale of public securities at the Stock Exchange (GD # 145/2008), adopted to enact the law on management and privatisation of public property;
- The strategy on development of internal public financial control;
- The confidence towards commerce and optimism of economic agents has grown²⁸.

Shortcomings and problems:

- Well-known international institutions rate Moldova as a country with a low economic freedom,²⁹ with a „poor

¹⁴ Survey on the draft law on the Code of conduct for public servants at www.capc.md;

¹⁵ GD # 248/2008, which abrogates GD # 722/2006 (on reorganisation of the State Guard Service of MIA into a state enterprise; GD # 153/2008 concerning dissolution of AMTAI and GD # 539/2008 establishing the ANTA;

¹⁶ Central authorities boycotted the General assembly of mayors convoked by the National League of Associations of Mayors on 03.02.2008;

¹⁷ Press release by Info-Prim Neo (IPN) news agency, 06.02.2008; reportage by TV7 channel, 06.02.2008; Article „Primarii vor cooperare si solidaritate”, Timpul newspaper, 13.02.2008;

¹⁸ Interview with Chisinau mayor-general, Jurnal de Chisinau newspaper, 15.02.2007; Interview with former municipal councillor Mihai Roscovan, IPN news agency, 28.01.2008. Article „Talmaza, satul vinat de cercurile de interese”, Flux newspaper, issue 200826 from 15.02.2008;

¹⁹ Interview with chief of the legal department of People's Cartel St. Gheorghe, Flux newspaper, 15.02.2008;

²⁰ Report on the activity of law courts in 2007;

²¹ Moldova was ranked the 2nd place in the 2007 top of countries which use pirate software;

²² See also the interview with „Endava” manager, Flux newspaper, 28.01.2008;

²³ Moldovan president has instructed the Ministry of Culture and Tourism to work out a draft law on transfer of the cultural centre „Satul Moldovenesc-Buciumul” to state ownership, in spite of the opposition of local administration, owner of the centre, press release by IPN news agency, 25.01.2008;

²⁴ Policemen ignore indications by mayor-general, deputy municipal police commissioner neglects municipal authorities, and others;

²⁵ Alianta newspaper, 25.01.2008;

²⁶ Mr. Constantin Rotaru resigns as CCA member, signals political interests inside this institution (Press release by IPN news agency, 04.02.2008);

²⁷ Statements delivered by OMA councillor Oleg Cernei at the February 21, 2008 sitting of the Chisinau Municipal Council;

²⁸ Trade Confidence Index by IDIS Viitorul, www.viitorul.org;

²⁹ Moldova has descended three places in the Economic Freedom Index and ranks the 89th place among 157 countries, <http://www.heritage.org/Index>;

state" index³⁰; representatives of community institutions signal political unwillingness to reform the Moldovan economy³¹;

- The Government has hardened the commodity import conditions for individuals by approving a broad list of goods imported by individuals, which prices it intends to monitor on domestic market³²;
- The Government has decided to build a network of district pharmacies (GD # 103/2008), while the established economic society lacks spaces and necessary goods, which will be "taken over" from LPA³³;
- Reports by the Chamber of Auditors signals shortcomings in managing state funds and property, note that competent public authorities did not monitor well the way buyers respect contracts on sale-purchase of public patrimony and their control on honouring of assumed contractual clauses was faulty, without taking actions to obligate them to execute their commitments or to cancel contracts³⁴;
- Conflict between authorities and patent holders has developed, with the latter protesting to make the Government revise its previous decisions;
- The implementation of the package of amendments "Guillotine II" was protracted, as Moldovan president did not promulgate the law which should enter into force on January 1, 2009;
- Press reports reveal the involvement of state enterprises and institutions in doubtful wheat reserve deals.³⁵

Stability of ruling policy

Progress:

- The Government has approved the Action Plan on implementation of the National Development Strategy (GD # 191/2008), which includes about 160 actions to be accomplished in 2008-2011;
- Individuals and legal entities (25 units) have legalised capital under the shape of currency, assets and securities worth over 100 million lei in early 2008.³⁶

Shortcomings and problems:

- The number of salary earners and economically active people has decreased, particularly after the 2007 drought³⁷;
- According to UNFPA researches on demographic situation, Moldova could face a serious crisis should current demographic trends continue, as the population is on a serious decline³⁸;
- Economic agents owed more than 460 million lei to the public budget in 2007,³⁹ and this proves among others the negative effects of the fiscal amnesty operated by authorities;
- The situation of landowners from the area where the Cahul-Giurgiulesti is being built is complicated so far, and residents and LPA authorities from the region do not warm actions by central authorities.

Probity and transparency of governance / Combat of corruption

Progress:

Under an order by Prime Minister (#2-d/2008), CPA authorities will work out institutional development plans to boost the transparency of their work;

- Several public dignitaries have published their estate declarations online,⁴⁰ but their number is very low so far;
- New projects have been launched to monitor the anti-corruption fight⁴¹; the Anti-Corruption Alliance is participating in the elaboration of strategies and actions in diverse areas⁴²; media training and assistance projects are being implemented⁴³;
- Functionaries are being trained, methodology of evaluation of corruptibility risk is being studied, integrity plans are being implemented within CPA⁴⁴;
- CCECC is undergoing structural reforms accordingly to international recommendations⁴⁵;
- The Code on Administrative Contraventions was modified and completed with regulations restricting the right to run certain offices or to exercise certain activities, as well as with new articles concerning pecuniary damages

³⁰ „Index of state weakness in the developing world”, The Brookings Institution, www.brookings.edu;

³¹ Interview with Jan Marinus Wiersma, deputy chairman of the socialist group represented in the European Parliament, member of the EU-Moldova Cooperation Committee, released by NewsIn;

³² GD # 242 from 03.03.2008;

³³ The decision "recommends local public administration authorities to transmit to the state property the offices occupied by pharmacies of centres of family doctors (former sections of district hospital pharmacies) and assets of these pharmacies, with their further economic management by S.A."Sanfarm-Prim";

³⁴ Decision # 2/14.02.2008 by the Chamber of Auditors; Decisions # 5/21.02.2008 and # 6/28.02 from 2008;

³⁵ Flux newspaper, 25.01.2008, 29.02.2008;

³⁶ News conference of MEC, 18.01.2008;

³⁷ NBS data for the 4th quarter of 2007;

³⁸ See also the statement released by the CDPP faction at the February 28 parliamentary sitting;

³⁹ According to State Main Tax Inspectorate accounts;

⁴⁰ Within the project „Estate on sight”, www.api.md;

⁴¹ Anti-corruption actions in the judicial system, Customs Service, Main Tax Service, Ministry of Internal Affairs, Ministry of Health and CCECC will be monitored within the Threshold Programme of the Millennium Challenge Corporation;

⁴² Monitoring, legal advisory, hotlines, media coverage, surveys, partnership between NGOs and public authorities, etc;

⁴³ The organisation Lawyers for Human Rights has launched the project Free Legal Assistance to Investigative Journalists, www.lhr.md;

⁴⁴ Seminars organised within the MOLICO Project;

⁴⁵ GD # 177/2008 approved the structure and maximum personnel of CCECC, which correspond to recommendations by Threshold Programme;

caused by cheating or abuse of confidence; abuse of authority or abuse of service; excess of authority or exceeded duties; illegal entrepreneurial activity (Law # 14/15.02.2008);

- Regulations aimed to prevent and combat money laundering entered into force⁴⁶;
- Law enforcement bodies discover new cases of corruption and abuses by functionaries⁴⁷;
- The composition of the monitoring group for the implementation of the Anti-corruption Strategy was renewed (Decree # 1537/28.02.2008);
- The Law on conflict of interest was adopted (15.02.2008); the draft law on prevention and combat of corruption was adopted in the first reading (21.02.2008) etc.

Shortcomings and problems:

- The access to public information continues to be obstructed, transparency of authorities does not grow⁴⁸;
- Relevant legislative and normative regulations are not promoted efficiently and principally⁴⁹;
- Declarations on incomes and estate of dignitaries are presented with delay, incompletely, they are not published or doses of them are released inaccurately because of the imperfect law and failure to apply adequate sanctions⁵⁰; with some exceptions, dignitaries did not give green light to the invitation to publish their declarations, ostentatiously ignoring the initiative by civil society and mass media⁵¹;
- A report by the Prosecutor-General's Office reveals many violations and derogations from the law in ensuring the right to petitioning, restricting the access to public information by bureaucratizing the procedure of examination and resolution of problems signalled by citizens⁵²;
- The non-adoption of the legal framework compromises the implementation of the anti-corruption strategy⁵³;
- European experts signal that anti-corruption laws do not function, while the anti-corruption struggle shall begin from those in charge⁵⁴;
- Officials from diverse areas react inadequately to efforts by NGOs to take anti-corruption actions⁵⁵;
- Mass media continues to publish investigative articles which signal abuses by public authorities,⁵⁶ but law enforcement bodies do not have a prompt and adequate reaction;
- Anti-corruption hotlines launched by public authorities are not functional, systemic and adequate⁵⁷;
- Competent experts fear that anti-corruption investigators are not well-trained, they commit procedural errors, do not collect enough evidence to make cases resistant in law courts⁵⁸;
- Low salaries of functionaries pose major corruption risks in continuation⁵⁹.

⁴⁶ Starting February, the National Bank and National Commission of Financial Market oblige financial institutions and professional participants in financial market to work out own plans against money laundering.

⁴⁷ Criminal and flagrant cases concerning a functionary of the state-run enterprise Regstru; trafficking in influence in the city of Soroca; director of a professional school from the town of Drochia, etc;

⁴⁸ Reports on access to public information, monitoring of websites and media publications;

⁴⁹ Promotion of the law on decision-making transparency is obstructed, the new law on anti-corruption struggle is not adopted, the promotion of legislation on public service is late;

⁵⁰ See also the article „Bufonada declaratiilor de avere”, Obiectiv newspaper, 31.01.2008;

⁵¹ See also reports released during the campaign „Estate on sight”, www.api.md;

⁵² Report by the Prosecutor-General's Office concerning respect in 2007 for the constitutional right of citizens to submit petitions to public authorities and high-ranking functionaries, violations discovered in the Ministry of Environment and Natural Resources, Ministry of Transportation and Road Management, Ministry of Local Public Administration, Ministry of Social Protection, Family and Child;

⁵³ Interview with N.Kravchenko, manager of the MOLICO Project of the European Commission, and C. Calinescu, MOLICO anti-corruption expert;

⁵⁴ Statement released by special representative of the CoE Secretary-General and EC experts at a seminar on methodology to assess corruptibility risk and implementation of integrity plans within central public authorities, 01.02.2008;

⁵⁵ Representatives of the Club Youths Against Corruption from Orhei have been obstructed by administration of the Orhei-based Medical College to hold information campaigns;

⁵⁶ Investigative articles and revelations published by newspapers Timpul, 08.02.2008; Jurnal de Chisinau, 08.02.2008, 29.02.2008; Ziarul de Garda: 24.01.2008, 31.01.2008, 07.02.2008, 14.02.2008. Press release by IPN news agency concerning the conflict of interests between S.A. Moldova-Film and minister of culture and tourism, 25.02.2008;

⁵⁷ Article „Alo, aici ma pot plange pe un functionar corupt?”, Obiectiv newspaper, www.api.md;

⁵⁸ See also the article „De ce nu sint incarcerate persoanele vinovate de luare sau dare de mita?”, Obiectiv newspaper, 21.12.2007;

EC expert Maurizio Varanesse considers that the Government shall raise salaries of functionaries;

See also the article „De ce nu sint incarcerate persoanele vinovate de luare sau dare de mita?”, Obiectiv newspaper, 21.12.2007;

⁵⁹ EC expert Maurizio Varanesse considers that the Government shall raise salaries of functionaries;

Monitoring grid 2. Consolidation of administrative capacity

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
<p>Administrative reform and Administrative efficiency / Stability of ruling policy</p>	<ul style="list-style-type: none"> • Actions on CPA Reform are being implemented; • The plan on implementation of CPA Reform in 2008 and the plan on implementation of NDS have been adopted; • Earlier adopted laws entered into force; • A new draft law on status of the Chisinau municipality has been worked out; • The IT sector is developing, the legal framework on this sector is updated; • Central authorities ignore or assault opposition LPA; • There are many cases of faulty management of public resources; • Earlier planned actions are late; • The software piracy has decreased, but the rate is high so far; 	<ul style="list-style-type: none"> • Functionaries are more experienced; • New legislative and normative acts were adopted; • The number of Internet connections has grown; • The National Coordination Council for Regional Development, the National Fund for Regional Development, Regional Development Agencies have been established; • Software is being secured; • Some actions are late, they are not finished well, goals fail; • Debts of economic agents towards budget have grown; • Demographic situation is worsening; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> • Activity of coordinating unit of the CPA Reform; • International assistance and monitoring; • Stable social-political situation; • Moldova's positive external image; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> • Lack of adequate resources; • Delayed actions stipulated by plans; • Inefficient parliamentary control; • Differentiated treatment of LPA authorities; • Lack of skills and experience within new local administrations; 	<p>+0.5</p>	<ul style="list-style-type: none"> • Moldovan legislation; • Reports on CPA reform; • Reports on implementation of governmental plans and strategies; • International assessments; • Mass media; • Statements by political parties, local elected officials; • Web resources;
	<ul style="list-style-type: none"> • Actions stipulated by the governing programme are being implemented; • There is an economic growth; • The implementation of some policy documents and plans is late; • Capitals are being legalised; • Decisions affecting people (expropriation for strategic constructions) are promoted; 	<ul style="list-style-type: none"> • Previous plans are being implemented, new policy documents are being drafted; • Confidence of people, economic agents is maintained; • Promotion of some strategic projects is faulty because of the lack of resources, bureaucracy; • Moldova is rated a "weak state" in foreign assessments; 	<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"> • Economic interests promoted by authorities abusively; • The formerly operated fiscal amnesty has reduced the discipline of taxpayers; • Revision of previous decisions and promotion of new decisions by neglecting private interests; 		

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
<p>Depoliticising public administration</p> <p>/</p> <p>Interference of economic-administrative and political interests</p>	<ul style="list-style-type: none"> • Central political control is maintained; • CPA is strongly politicised; • Politicising trends are observed in LPA; 	<ul style="list-style-type: none"> • Functionaries depend on politics so far; • Employment /dismissal are based on political criteria; • Stability of offices is not guaranteed; • Opposition-ruled administrations are marginalised, their representatives are intimidated or ignored so far; 	<p><i>Discouraging:</i></p> <ul style="list-style-type: none"> • Depoliticising issue is not conceptually tackled; • Interests of the ruling party; • The new law on public service was not adopted, the depoliticising principle is not promoted at central and local level; 	-1	<ul style="list-style-type: none"> • Moldovan legislation; • Minutes of plenary sittings of the Parliament; • Statements by political parties and local elected officials; • Mass media; • Independent assessments; • Websites;
	<ul style="list-style-type: none"> • Relevant normative acts were adopted; • Import conditions have been hardened; • Post-privatisation process was inadequately monitored; 	<ul style="list-style-type: none"> • Sale of public securities at Stock Exchange is regulated; • Laws modified during the “Guillotine II” process did not enter into force; • Economic freedom is low so far; • Commitments taken during privatisation are not fully honoured; • The economy is slowly reformed; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> • Cooperation between authorities and business representatives; • Regulatory reform; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> • Political factors are interested so far in building business; • The law on conflict of interest is not implemented; • The law on internal auditing in public sector was not adopted; 	+ 0.5	

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
<p>Probity and transparency of governance</p> <p>/</p> <p>Anti-corruption fight</p>	<ul style="list-style-type: none"> Normative regulations have been approved; Several dignitaries have published their declarations on incomes and estate; Access to public information and transparency are limited in continuation; The media published investigative reports but without any results; 	<ul style="list-style-type: none"> A new communication strategy on European integration will be implemented; Actions are taken to enhance web transparency, official websites are being updated and completed but not enough; The judiciary are being trained in the area of public relations, judicial conduct; Information is generally provided "at demand"; Transparency of central and local authorities did not grow; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Implementation of e-government projects and programmes; Development and endowment of authorities with IT; Internal and external monitoring: <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Transparency and cooperation of authorities with the media is problematical in continuation; Access to legal information is difficult in continuation (online only), the cost of Monitorul Oficial is exaggerated so far; Promotion of the draft law on decision-making transparency is obstructed in continuation; Efficient actions are not taken for the declaration and control of estate of dignitaries; 		<ul style="list-style-type: none"> Moldovan legislation; Reports by international institutions; Websites; Mass media;
	<ul style="list-style-type: none"> The National Anti-Corruption is being implemented; The law on conflict of interests was adopted; International assistance is growing, new anti-corruption programmes are underway; The associative sector is becoming more attractive; CSECC is being reorganised; Decisions capable to reduce transparency and public cooperation are being promoted; Anti-corruption indicators are low so far; 	<ul style="list-style-type: none"> Actions are taken to implement the strategy, but many actions are not taken so far; New programmes increase actions in the area; NGOs participate in monitoring of anti-corruption programmes; Efforts to combat corruption continue, functionaries are held red-handed; Late adoption of some laws proves a low political willingness to combat corruption; Functioning of anti-corruption hotlines is faulty; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> International monitoring and assistance; Internal monitoring; Activity of specialised NGOs; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Some delayed actions; Absence of sounding cases involving governmental functionaries; Corruption is not combated at high level; Statements and reports signalling abuses and violations do not have essential consequences; Presence and concomitant implementation of several programmes with similar actions or superpositions (IPAP, MOLICO, MCC); LPA is not seriously involved in the implementation of the anti-corruption strategy and related programmes; 		<ul style="list-style-type: none"> Moldovan legislation; Statements by authorities, representatives of international institutions; Report on activity of CSECC, Prosecutor-General's Office; Report on implementation of PPT; Independent surveys; Mass media;

3. TRANSNISTRIAN CONFLICT

Efforts to restart „5+2” negotiations

Moldovan authorities have focussed on consulting Russia in order to resume the negotiation process in the period concerned. Minister of Reintegration Vasiliu Sova, the presidential advisor for political affairs, Mark Traciuk, and the head of the division for international agreements of the General Department for International law and treaties of the MFAIE, Dumitru Socolan, took part in consultations in Moscow on February 1, 2008, with the participation of Russian high-ranking officials involved in the Transnistrian issue, the Deputy secretary of the Russian Security Council, Yuri Zubakov, ambassadors with special missions Valeri Keniaikin and Valeri Nesterushkin, and the Deputy chief of the Department II for CIS member states, Nicolai Fomin. According to the Moldovan presidential press service, the consultations aimed to build confidence between Chisinau and Tiraspol with the view to resume the "5+2" negotiations as soon as possible. The participation of the head of the Directorate for International Agreements, Dumitru Socolan, in consultations fuelled suspicions of the Moldovan opposition that the sides are preparing secret documents on the Transnistrian settlement.

While on the February 12-13 visit to Moscow, Ukrainian President Viktor Yushchenko agreed with his Russian counterpart Vladimir Putin to "intensify the diplomatic dialogue between the two countries in order to find a common position on the settlement of the Transnistrian conflict." They stressed the necessity of "working out Russian-Ukrainian initiatives to relieve the "5+2" negotiation process. In this respect, the Russia-Ukraine action plan signed by the two presidents stipulates that experts from the two countries will work out coherent approaches by 2009 to settle the Transnistrian conflict. They established the following basic principles: the Transnistrian conflict will be settled by respecting the sovereignty and territorial integrity of the Republic of Moldova; Transnistria will be awarded a special legal status.

President Voronin displayed his optimism during a TV programme on February 29 that the "5+2" Transnistria settlement negotiations will shortly restart after a two-year break. Voronin noted that a package of documents has been drafted and it will be shared with mediators and observers to settle the Transnistrian conflict. He was confident that President Putin will accept a longer negotiation session either in Sankt-Petersburg or in Helsinki. President Voronin stressed that the package of documents proposed to negotiators does not include regulations which would violate the July 22, 2005 law on basic principles of the status of the Transnistrian region of the Republic of Moldova. The package of documents addresses the status of Transnistria; necessary guarantees; withdrawal of the weaponry from the region; withdrawal of the Russian military presence; civil peacekeeping mission. Voronin assured that President Putin backs these approaches and should these documents be accepted, they will be delivered to heads of state and chiefs of institutions participating in the "5+2" negotiations in order to find a solution to the implementation mechanism. In this context, the Parliament and Government of Moldova should find a mechanism to sign these documents. President Voronin hinted that this approach suits an agreement reached during the February 13 meeting between Russian and Ukrainian presidents and it was confirmed at the February 22 informal CIS Summit.

Ilkka Kanerva, Foreign Minister of Finland, the Chair of the OSCE, visited Moldova on January 16-17, 2008. Meetings with Moldovan officials have focussed on "evolutions in the Transnistrian settlement process." The OSCE Chairman-in-Office stressed "the necessity of stirring up efforts of all participants in the negotiation process, in order to impel the Transnistria settlement process;" initiatives by President Vladimir Voronin aimed to strengthen confidence and security between the two banks of the Dniester; activity of the EU Border Assistance Mission to Moldova and Ukraine." Kanerva has met Transnistrian leaders in Tiraspol who "informed him about conduct of the negotiation process starting 1992," seeking an equal footing for the conflicting parties in the negotiation process. Following his visit to Moldova, Ilkka Kanerva decided to nominate Finnish diplomat Heikki Talvitie as OSCE Special Representative for the Transnistrian problem, who will be in charge with relieving the negotiation process.

Commercial impact of the new customs regime at Moldova-Ukraine border

In January 2008 the Moldovan Ministry of Reintegration published a report on external trade activity of Transnistria in 2007. The document reveals positive factors of the Transnistrian external trade due to the new customs regime introduced on the Transnistrian section of the Moldova-Ukraine border with the EU support:

- The State Chamber of Registration of Moldova has certified 86 economic agents (233 overall) for a temporary term and another 29 (142 overall) for a permanent term, awarding them the IDNO code. Overall, 383 economic agents are certified temporarily and permanently at present;
- The Moldovan Chamber of Commerce and Industry (CCI) has issued 5,821 origin certificates for commodities to be exported in the period concerned, of which 3,505 form C and 2,316 preferential certificates (CT-1-2183, EUR.-133). Seventy-four out of 375 economic agents registered with the State Chamber of Registration of Moldova have applied for origin certificates in January-December 2007. The monthly average of origin certificates issued to economic agents in January-December 2007 was 596, by 176 more than in 2006;
- The Customs Service of Moldova has issued 1,327 preferential origin certificates A to 23 Transnistria-based economic agents for foreign trade with EU member states from January 1 to December 31, 2007;
- The State Chamber of Licensing has issued 11 licences to economic agents registered accordingly to the law in force for different types of activity: manufacturing and exporting electricity, manufacturing, storing and whole trading spirits; making and trading seeds; importing and storing chemicals, chemical household products and items; projecting technical-urbanistic, reconstruction installations and networks; pharmaceutical activity; building and engineering constructions; importing and trading perfumery and cosmetics;

- Exports and imports by Transnistria-based enterprises controlled and certified by the Customs Service of Moldova in 2007 were worth 9,399.6 million lei, including exports worth 8,010.5 million lei and imports worth 1,389.1 million lei.

Alarming developments in security zone

The Joint Control Commission (JCC) decided at a sitting on January 24, 2008 to reintroduce the Moldovan peacekeeping contingent under the joint military command. According to Transnistrian press reports, Moldovan peacekeepers refused to submit to the joint command starting January 11. The problem should be remedied via an appeal upon representatives of the Moldovan and Russian Defence Ministries. The JCC Co-chairman on behalf of Russia, Viktor Shanin, has accused Moldovan authorities of plans to undermine the peacekeeping mechanism. It was noted that actions by Moldovan authorities fit the declared intention to withdraw checkpoints and police structures from the security zone, in order to prove the intention to build reciprocal confidence, but they are nothing but propagandistic actions.

Transnistrian top leaders have been reticent over diplomatic efforts by Moldovan side, denying any possibility to quickly settle the conflict accordingly to schemes elaborated by President Voronin. Transnistrian leader Igor Smirnov and foreign minister Valerii Litskai continued to deliver such statements with regularity. The Moscow-based newspaper Kommersant has quoted speaker Evgheniy Shevciuk as saying that a new referendum on Transnistria's status and early parliamentary elections shall be held. It means that such a referendum would make sense should guarantors and mediators of the negotiation process accept its results. Smirnov has stated in an interview with the Russian newspaper Profili that he has plans to set up a "ministry of territories" to recover localities which, he believes, should be controlled by Transnistria but they are under the jurisdiction of Chisinau for the time being. He envisages Chisinau-controlled localities in the Dubasari district from the left bank of the Dniester, suburbs of the Bender municipality and Copanca village. Moldovan Minister of Reintegration Vasile Sova has described the statements by Transnistrian leader as very dangerous.

Impact of Kosovo case on Transnistrian settlement process

Following the declaration of Kosovo's independence on February 17, 2008 and its recognition by a number of countries with the heaviest international weight, Tiraspol authorities claimed that Transnistria would have many rights to be recognised independent.

The Moldovan Government reacted on February 18 to the independence declaration of Kosovo, releasing a statement which says that "in spite of the unique Kosovo problem, such a "resolution" is both a violation of the territorial integrity of Serbia and a serious destabilising factor in Europe, a risky incentive to rouse the separatist environment in all conflicting areas." The Moldovan Parliament adopted a declaration on February 22 to disagree and raise concern with this issue.

EU diplomatic and political assistance

On February 25 the EU Council adopted the common position 2008/160/CFSP concerning restrictive measures against the leadership of Transnistria. The document adopted under the auspices of the Title V of the EU Treaty says that "on February 27, 2003 the Council adopted the Position 2003/139/CFSP, which was renewed under the Common Position 2004/179/CFSP from February 23, 2004 and expires on February 27, 2008," obliging member states to take restrictive measures in order to prevent the entry or transit of territories by persons who are responsible for jeopardising progress in settling the Transnistrian conflict (Annex I)^[1] and by those obstructing and intimidating Transnistria-based schools using the Latin script for education (Annex II).^[2]

Participation of civil society

The Moldovan Association for Foreign Policy has organised debates within the "Transnistrian dialogues" project with the participation of politicians from Transnistria and Moldova, decision makers and leaders of Moldovan political parties, representatives of diplomatic corps and international institutions in Chisinau. The event aimed to strengthen confidence-building actions by remedying negative stereotypes developed during the territorial division of Moldova.

Monitoring grid 3. Transnistrian conflict

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
<p>Political negotiations (“5+2” format)</p>	<ul style="list-style-type: none"> The Moldovan diplomacy has taken actions to get Russia’s help for relieving the negotiation process; OSCE Chairman-in-Office visited Moldova; President Vladimir Voronin has made public an eventual mechanism to definitively settle the Transnistrian conflict; 	<ul style="list-style-type: none"> Political negotiations are blocked in continuation; EU, OSCE, US, Ukraine and Russia welcome initiatives by President Voronin, but their implementation is difficult because Transnistria is not interested; 	<p style="text-align: center;">E n c o u r a g i n g : D i s c o u r a g i n g : .</p> <ul style="list-style-type: none"> Sustained efforts by mediators and observers; The OSCE Chairman-in-Office has appointed Finnish diplomat Heikki Talvite as OSCE Special Representative for the Transnistrian problem; .Russia’s policy on resuming financial assistance for the Transnistrian region and organising presidential elections in the Transnistrian region like at home; 	<p style="text-align: center;">0</p>	<p>Moldpres, Novy Region, Infotag; Websites; Official communications;</p>
<p>EU-Moldova cooperation</p>	<ul style="list-style-type: none"> The January 14 meeting between President Voronin and European Commission President Manuel Jose Barroso in Brussels and discussion of perspectives to sign a new Moldova-EU agreement once the EUMAP is over; The EU Special Representative for Moldova has held consultations in Chisinau and Tiraspol; 	<ul style="list-style-type: none"> The Transnistrian issue is a priority on the agenda of EU-Moldova relations; EUSR ensures a continuous dialogue between EU and Moldovan authorities concerning the Transnistrian issue and the EU “presence” on the scene; 	<p>Encouraging:</p> <ul style="list-style-type: none"> European Neighbourhood Policy; Moldova’s opening and credibility; Progress made by Moldova in other areas of EUMAP; 	<p style="text-align: center;">• • • + 1</p>	<p>EU website, Moldpres, Novy Region, website of Moldovan President;</p>
<p>EU diplomatic and political assistance</p>	<ul style="list-style-type: none"> The EU Council adopted the common position 2008/160/CFSP concerning restrictive measures to limit the right to free circulation of the Transnistrian leadership in EU; 	<ul style="list-style-type: none"> The Transnistrian issue is a priority on the agenda of EU-Moldova relations; Conditioning EU-Ukraine relations with Ukraine’s cooperation to settlement; 	<p>Encouraging:</p> <ul style="list-style-type: none"> European Neighbourhood Policy; Moldova’s opening and credibility; Progress made by Moldova in other areas of EUMAP; 	<p style="text-align: center;">• • • + 1</p>	<p>Website of European Parliament; Mass media;</p>

<p>Russia's Istanbul commitments</p>	<ul style="list-style-type: none"> Representatives of NATO member states maintained, at the annual conference in Muneac, the conditioning of the ratification of CFE Treaty with the withdrawal of Russian troops and munitions from Moldova, in spite of Russia's suspended participation in this treaty; 	<ul style="list-style-type: none"> Lack of progress in a predictable future as regards the withdrawal of Russian troops and munitions from Transnistria; 	<p style="text-align: center;">E n c o u r a g i n g : D i s c o u r a g i n g :</p> <ul style="list-style-type: none"> Moldova's insistence of the position enounced at the OSCE Meeting, joining the stance of NATO and EU member states; Increasingly intransigent policy of Russia; 	<p style="text-align: center;">0</p>	<p>Website of OSCE; Website of MFAEI;</p>
<p>Securing the Moldova-Ukraine border</p>	<ul style="list-style-type: none"> The Mission continued to contribute to the implementation of the joint customs regime and regulations on registration of Transnistrian economic agents; More than 370 Transnistrian economic agents have been registered and their trade exchanges to the EU have grown; 	<ul style="list-style-type: none"> Legalisation of Transnistrian business, participation of Transnistrian economic agents in the customs area of Moldova, their access to European trade preferences; Securing the Moldova-Ukraine border, combating illicit activities; Professionalisation of customs and border guard services; 	<p style="text-align: center;">E n c o u r a g i n g : U k r a i n e ' s c o n s t r u c t i v e p a r t i c i p a t i o n ;</p> <ul style="list-style-type: none"> Ukraine's constructive participation; EU support, European Neighbourhood Policy; 	<p style="text-align: center;">+1.5</p>	<p>EUBAM website; Mass media;</p>
<p>Participation of civil society</p>	<ul style="list-style-type: none"> The Association for Foreign Policy of Moldova held debates within the "Transnistrian Dialogues" project; 	<ul style="list-style-type: none"> Enhancing visibility and knowledge on EU in the Transnistrian region; Promotion of European values in Transnistria; 	<p style="text-align: center;">E n c o u r a g i n g</p>	<p style="text-align: center;">+0.5</p>	<p>Novy Region; Mass media;</p>

				<p>g :</p> <ul style="list-style-type: none">• Political and financial support of EU for civil society from the region;• Sensibility of actions by civil society concerning the conflict;	
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4. JUSTICE

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

Progress:

- A number of relevant normative acts on this area have been approved, in particular, the Concept of the automatic information system "Register of execution procedures" (GD # 1520/29.12.2007); the 2008 Action plan on prevention of corruption in the Supreme Court of Justice (Decision by SCJ Plenary # 31 from 24.12. 2007);
- The Concept on police cooperation in South Eastern Europe was ratified (Law # 5/07.02.2008);
- The Code of Penal Procedure and the Code of Civil Procedure have been modified to explain the changing of cases (Law # 2/07.02.2008);
- Standards to build a consolidated software for the record of legal cases have been elaborated⁶⁰;
- According to accounts for 2007,⁶¹ the number of left cases has decreased (by 14.6 percent for criminal cases and 14.9 percent for civil cases) and the number of detainees whose criminal cases have been ceased has increased very much (4,511 persons, by 58.2 percent more than in 2006);
- The quality of justice-making has improved in 2007 but not enough⁶²;
- The Prosecutor-General's Office has set up a permanent working group to control fairness of judges regarding sentences on cases lost by Moldova at ECHR; there are already some appeals seeking pecuniary damage⁶³;
- SCM has considered its work for 2007 and approved an action plan for 2008 (Decisions # 1/1 and # 2/1 from 17.01.2008 by SCM).

Shortcomings and problems:

- The monthly burden of judges has increased from 59.6 (2006) up to 66.6 (2007); although judges are overworked, executive and legislative authorities do not take efficient actions to redress the situation⁶⁴;
- There are many vacancies of judges (44 offices, over 10 percent of the total);
- Employees of the Prosecutor's Office are overworked⁶⁵;
- The rate of cassation of sentences has increased up to 14.2 percent (11.8 percent in 2006);
- There are diverse practices to examine similar cases, pannels pass different solutions to identical cases⁶⁶; law courts do not know the ECHR practice or they ignore it⁶⁷;
- SCJ is late with passing explanatory decisions (so far, it has adopted one out of 15 decisions planned for 2007);
- The normative framework on assessment of the work of judges and auxiliary personnel, concept on implementation of the software to administrate cases, monitor performances of judges, ensure an aleatory distribution of cases, improve legal statistics have not been finalised⁶⁸;
- The reform of the Prosecutor's Office is late, its extended tasks have not been revised accordingly to the existing programme (GD # 113/2007); the prosecution is considered an institution which depends on political authorities⁶⁹; the prosecution is accused of filling political cases⁷⁰; prosecutors are accused of having intervened to dispossess business⁷¹;
- There are trends to limit the independence of judicial authorities by trying to impose pecuniary responsibility for cases lost at ECHR, annulling immunity against criminal charges (this draft is promoted unjustifiably),⁷² by groundless criticism⁷³;
- Public organisations describe initiatives to limit the immunity of judges as null and void⁷⁴;
- The media releases statements signalling faults of the justice, involvement in unjust persecutions⁷⁵;

⁶⁰ The system will be initially implemented within pilot projects in Rezina, Comrat, Ungheni and at the Chisinau Court of Appeal with the assistance of the Threshold Programme of the Millennium Challenge Foundation;

⁶¹ Report on activity of law courts in 2007;

⁶² Decision # 1 by SCJ from 01.02.2008;

⁶³ Statements delivered by Prosecutor-General at a news conference on 13.02.2008;

⁶⁴ Under the PACE Resolution 1572 from 02.10.2007, Moldovan authorities were recommended to increase much the number of judges;

⁶⁵ See also the interview with Prosecutor-General published by newspaper Nezasivimaya Moldova on 29.01.2008;

⁶⁶ Decision # 1 by SCJ from 01.02.2008;

⁶⁷ Statements delivered by SCJ Chairperson at the general assembly of judges on 08.02.2008;

⁶⁸ Under PD # 174/2007, the draft normative act should be publicly debated by the end of 2007;

⁶⁹ See also parliamentary debates on the draft law concerning annulment of immunity of judges (21.02.2008); interview with lawyer V.Gribincea, newspaper Flux, issue 200835 from 28.02.2008, commentary by lawyer regarding the ECHR case „Guja vs. Moldova”, press release by IPN news agency from 15.02.2008; statements delivered by Iacob Guja at a news conference on 15.02.2008, INFOTAG news agency;

⁷⁰ RPP leader Nicolae Andronic claims that the Prosecutor-General's Office has filed a political case on his name and demanded the challenge of prosecutor (press releases by INFOTAG Agency from 24.01.2008, 30.01.2008, 07.02.2008);

⁷¹ Article „In jungla justitiei” published by newspaper Moldova Suverana on 26.02.2008;

⁷² See also parliamentary debates on the draft law concerning annulment of immunity of judges (21.02.2008);

⁷³ See also the report presented by SCM Chairperson at the annual assembly of judges on 08.02.2008; opinion by SCJ chairperson;

⁷⁴ Opinions by representatives of the organisation Lawyers for Human Rights, Independent Lawyers Association from Moldova, Moldovan League of Lawyers;

⁷⁵ Statement by C.Tausanji, INFOTAG communication released on 12.02.2008; interview with I.Burgudji published by newspaper Komersant Plus on 15.02.2008; Statements by lawyer S.Miscoi published by newspaper Flux, issue 200830 on 21.02.2008; interview with Deputy Gh.Susarenco published by newspaper Timpul on 25.02.2008;

- Representatives of the parliament signal shortcomings of the justice, in particular, lots of cases lost at ECHR; imperfect management; insufficient transparency and fairness; low quality of the justice-making act; corruption; shortage of judges; low capacities of the apparatus of courts⁷⁶;
- In spite of certain actions in the area, transparency of courts is low so far, the judicial practice is not published, information is not published online, etc.

Training specialists in the system / Auxiliary personnel / Circumstances

Progress:

- Judges are being trained to optimise the implementation of the automatic information system called register of procedures of execution of judgments⁷⁷;
- Topics of zonal training courses organised by SCJ and SCM have been approved;
- Headquarters of some law courts (Ungheni) are being renovated due to foreign assistance, the office of court administrator has been set up in some law courts (Rezina, Comrat);
- Foreign organisations support the reformation of the judicial system⁷⁸;
- Leaderships of law courts attend training seminars on prevention of corruption factors.

Shortcomings and problems:

- Legal norms on allocation of funds needed for a normal functioning of law courts (accordingly to Article 22 of the laws on judicial organisation, the Parliament shall approve these funds at the proposal of SCM) are not respected;
- The remuneration is low so far, judges are not provided housing accordingly to legislation, a referent unit for every judge is not introduced;
- The Legal Inspection of SCM is not established de facto and its staff is not employed because of the lack of adequate offices;
- Allocated funds do not cover the needs to purchase equipment, post expenses, capital investments and renovations.⁷⁹

Alternative ways to settle litigations / Prisons

Progress:

- Actions are taken to prepare the enforcement of the law on mediation, in particular, members of the commission for the selection of members of the mediation council have been approved; members of the mediation council have been selected; initiatives on actions needed to implement the law on mediation are submitted to the Government;
- The Regulation of the National Council for the State-Guaranteed Legal Aid (Order # 18 by MJ from 24.01.2008) was approved; the Ministry of Justice seeks the assistance of district councils (Cahul, Comrat, Balti and Tighina) and Ministry of Local Public Administration to implement the law on state-guaranteed legal assistance; the regulation on organisation of a contest to select a member of the National Council for the State-Guaranteed Legal Assistance on behalf of public associations or academia was approved under MJ Order # 58 from 11.02.2008;
- The law on probation (14.02.2008) was approved; the law on arbitrage and the law on international commercial arbitrage were adopted on February 22, 2008;
- The law on the bar was modified to prevent lawyers from providing any legal assistance but on the basis of a legal assistance contract registered with the bar, and the grave violation of the contract or non-indication of the collected fees in the contract will be a ground to withdraw the licence from attorney (Law # 7/14.02.2008);
- The number of detention-free penalties has increased, the labour for the community's benefit is applied more often (more than 2,280 persons in 2007);
- The law on penitentiary system is being adjusted to the new Criminal Code, Execution Code and labour legislation⁸⁰; the situation in the penitentiary system is improving,⁸¹ in particular, the overall number of detainees has decreased in 2007 (by 783 persons, 9.1 percent); inmates have been prevented from committing offences; socio-educative programmes are being implemented; DPI officers are being trained at special centres, they attend training and retraining courses; arrest facilities are renovated, reconstructed and designed; allocations for food have grown by about 20 percent in 2007; humanitarian and charity aid is attracted in continuation; production capacities in prisons are developing.

Shortcomings and problems:

- The enforcement of laws on alternative ways to settle litigations - mediation, arbitrage, probation - is late;
- The number of inmates is very high so far (more than 6,500 persons), the number of young offenders is big, many persons commit offences more than once;
- There are abuses, ill-treatment, and violation of physical and psychical integrity in the penitentiary system.⁸²

⁷⁶ Address by Parliament speaker to the general assembly of judges, 08.02.2008;

⁷⁷ The Execution Department (ED) of MJ jointly with the Preliminary Country Programme of the Millennium Challenge Account trained 40 heads of offices and 4 ED senior specialists in January 2008;

⁷⁸ Representatives of the German Foundation for International Legal Cooperation met the SCJ administration on February 20, 2008 and proposed assistance in implementing the administrative justice, settling litigations through mediation, instruction of judges;

⁷⁹ See the SCM Decision # 1/1 from 17.01.2008;

⁸⁰ Under Law # 15/15.02.2008), new regulations on the penitentiary structure; prisons; nutrition of inmates; health assistance and first-need goods; work of detainees have been introduced;

⁸¹ Totals of activity of the penitentiary system in 2007 and priorities for 2008, www.

⁸² See also the press release on visit by ombudsman I.Cucu to the prison # 4 in the town of Cricova, www.ombudsman.md;

Monitoring grid 4. Justice

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
<p>Capacity to impose 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"> New legislative and normative acts, amendments on this area have been adopted; Special programmes and plans are being implemented; Plans for 2008 are approved; Monthly burden of cases has increased; Independence of judges is assaulted; The judiciary are involved in persecutions; 	<ul style="list-style-type: none"> Actions are taken to optimise the execution of judgments; The number of left cases has decreased; The quality of justice has improved; Judges are threatened to be limited immunity; The judicial practice is not uniform and available; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> External assistance and monitoring; Activity of SCM and SCJ; ECHR sentences; Increased attention by mass media and civil society; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Planned actions are late; Short allocations; Heavy burden of cases; Irregular legal practice; Corruption in system; The prosecution is not reformed; 	- 1	<ul style="list-style-type: none"> Moldovan legislation; SCJ, SCM decisions; Mass media; Web resources; Communications on activity of prosecution; Minutes of parliamentary sittings; SCJ newsletter; Records of the general assembly of judges;
<p>Training specialists in system / Auxiliary personnel</p> <p>/</p> <p>Circumstances</p>	<ul style="list-style-type: none"> Planned, ad-hoc training courses take place; New projects are underway; Allocated funds do not cover the needs; Adequate social and material guarantees are not provided; 	<ul style="list-style-type: none"> Judges and auxiliary personnel get new skills in IT sector; Endowment, renovations are being operated; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Foreign assistance; Internal and external monitoring; Activity of SCM, leadership of courts; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Low quality of the training, deficit of qualified staff; Allocated funds are insufficient; 	+0.5	<ul style="list-style-type: none"> Moldovan legislation; Report on activity of MJ, SCM, SCJ; Independent researches; Mass media; SCJ, SCM decisions;
<p>Alternatives ways to settle litigations</p> <p>/</p> <p>Prisons</p>	<ul style="list-style-type: none"> The mediation council was established; The law on state-guaranteed legal assistance is enforced; The law on probation, law on arbitration and international trade arbitration were adopted; 	<ul style="list-style-type: none"> The number of prison-free sactions has grown; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> Foreign assistance; Activity of the Ministry of Justice; Activity of specialised NGOs; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Delayed legislative-normative process; Insufficient knowledge regarding new mechanisms; 		<ul style="list-style-type: none"> Moldovan legislation; Mass media; DPI communications; Web resources; HRCM communications; Report on activity of DPI in 2007;
	<ul style="list-style-type: none"> The legislation in the area is modified; The number of inmates has declined; Prisons are reconstructed and renovated; Abuses and ill-treatment are signaled in continuation; 	<ul style="list-style-type: none"> Funds are insufficient; Detention conditions are not adequate in all institutions; 	<p><i>Encouraging:</i></p> <ul style="list-style-type: none"> International assistance; Activity of DPI; <p><i>Discouraging:</i></p> <ul style="list-style-type: none"> Big number of inmates; Lack of resources; The adoption and enforcement of new laws are late; Abuses; 		

5. DEVELOPMENT AND ECONOMIC REFORMS

Poverty reduction

Although average monthly nominal wages have increased this year, and the real rise was 13 percent in January-February 2008, compared with the similar period of 2007, this did not improve the living standards of people. The ceaseless global rise of prices of foodstuffs along with the summer 2007 drought has dramatically hit the neediest categories of people which spend much on food products, running the risk to face poverty. According to recent accounts released by NBS, the share of food expenses in all average expenditures by population has increased in 2007.

Dearer electricity and natural gas supplied to final consumers is another factor that hit the population at the beginning of the year. Tariffs have grown before the Parliament adopted the law on measures for the social protection of population in connection with higher electricity tariffs⁸³ approved by Government in November 2007. It may happen that these will not be the last rises of tariffs for public housing services that the population could face this year, given the expected rise of price of imported natural gas and electricity. Also, the tariff of heating supplied to consumers from the Chisinau municipality is low and Termocom has been seeking a higher one for a long time. Thus, some categories of people will not afford these rises and financial support shall be provided to people in need only, in order to prevent a wasting of insufficient funds.

Consolidation of economic growth

The Moldovan industry achieved an important growth in January-February 2008 after the 2006-07 shocks. The industrial production has grown by 109.6 percent, compared with the similar period of the precedent year, and forecasts say that the industry will achieve an annual growth of nearly 20 percent in 2008. The growth was achieved though the dissolution of the Ministry of Industry and Infrastructure was unexpected and its tasks went to the Ministry of Economy and Commerce. This seems to be a logical solution applied in many countries, including Romania and Bulgaria, as the Ministry of Economy is in charge with formulating industrial priorities and policies. However, tasks of the Ministry of Agriculture and Food Industry should be also transferred to the Ministry of Economy, though there are no signs that this ministry is being reorganised.

The Government continues to focus on industrial parks as a way to attract investments in industry. Thus, the Ministry of Economy adopted a regulation on industrial parks in January.⁸⁴ But it will be hard to develop industrial parks because of the shortage of funds. Central and local authorities lack necessary resources to do this, and thus technical assistance and private investments will have a major importance to build and develop these parks.

Macroeconomic and financial stability

In February, for the 3rd year, the Moldovan Government signed the Memorandum on Economic and Financial Policies with IMF for 2008, a document regulating IMF-Moldova relations. Commitments assumed by Moldova under the memorandum contribute to internal discipline, establishing some performance indicators, in particular, budgetary deficit, which shall not exceed 0.5 percent of GDP, and an inflation rate below 10 percent. While the budgetary deficit was maintained in the limits set the precedent years, the inflation exceeded one digit in 2006 and 2007. The price rise in January-February does not inspire with much optimism in 2008 as well, both due to internal developments, and to inflation on food products which affected global markets and is beyond the National Bank's control.

The beginning of year 2008 was favourable for the National Bank. The reduction of liquidity on monetary market without resorting to excessive sterilisation was possible after the transfer of the balance of accounts of the National House of Social Insurance, National Health Insurance Company and budgets of administrative-territorial units to the single account of the State Treasury of NBM. Starting 2008, the state budget law does not oblige any longer the National Bank of Moldova to reissue state securities, including those obtained through the conversion of the governmental debt into securities. Previous loans contracted by state from the central bank will be converted into state securities accordingly to the September 2007 plan on conversion of state loans formerly contracted from NBM into state securities. Thus, a new efficient liquidity sterilisation modality that the central bank may use has appeared.

Fiscal transparency and stability

As usually, budget incomes exceeded the forecasts early this year, while state budget expenses were executed 69 percent of the plan. This happened several years in a row, with expenses being executed accordingly to the plan at the end of the year only. The Ministry of Finance is in charge with both ensuring the execution of the 2008 budget and "carrying out imminent measures and expenses which occur after the budget is adopted, such as expenses for actions dedicated to the Year of Youth, etc."⁸⁵ If the Ministry of Finance itself takes such actions which are not approved by the Parliament, the only body in charge with modifying the law on state budget, other executors could also bear off. In consequence, the state budget law could be often modified this year, too. But the way these modifications are operated is a major problem, rather than changes to the state budget law. Moldova does not establish financing priorities when budgetary revenues are fulfilled in advance and this hits the transparency in allocating funds.

⁸³ Approved under Government Decision # 1197 from 05.11.2007;

⁸⁴ Adopted under Government Decision # 66 from 28.01.2008 to implement Law # 164-XVI from 13.07.2007 concerning industrial parks;

⁸⁵ <http://minfin.md/ro/newsitem/166>;

Monitoring grid 5. Development and economic reforms

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
Poverty reduction	<ul style="list-style-type: none"> ▪ Increased share of expenditures for foodstuffs in overall expenses by population; 	<ul style="list-style-type: none"> • This will boost poverty rates; 	<ul style="list-style-type: none"> • Dearer food products; • Dearer imported natural gas and electricity; • 	-0.5	<ul style="list-style-type: none"> • NBS; • Assessments by authors;
Consolidation of economic growth	<ul style="list-style-type: none"> • Adoption of the regulatory framework on industrial parks; 	<ul style="list-style-type: none"> • Imperceptible; 	<ul style="list-style-type: none"> • Shortage of funds for financing; • Exclusive stake on foreign financing and private investments; • 	+0.5	<ul style="list-style-type: none"> • Assessments by authors;
Macroeconomic and financial stability	<ul style="list-style-type: none"> • Signing of the Memorandum on Economic and Financial Policies with IMF for 2008; 	<ul style="list-style-type: none"> • Government's commitment to privatise facilities of major importance: Banca de Economii and Moldtelecom; 	<ul style="list-style-type: none"> • Global rise of prices of food products which puts strong inflationist pressures; 	+0.5	<ul style="list-style-type: none"> • Assessments by authors;
Fiscal transparency and stability	<ul style="list-style-type: none"> • Appearance of "imminent" expenses after the budget is adopted; 	<ul style="list-style-type: none"> • Indiscipline of the Ministry of Finance to execute expenses may encourage fiscal indiscipline of other executors; 	<ul style="list-style-type: none"> • • Financing priorities in the event of higher revenues than planned are not established; • Fiscal arrears after the 2007 fiscal amnesty; 	-1	<ul style="list-style-type: none"> • Assessments by authors;

6. INTERNATIONAL TRADE

Commercial relations (Trade regime with EU)

The new commercial framework (Autonomous Trade Preferences) was institutionalised by the European Commission and entered into force on March 1, 2008. Also, the document on ATP contains a standstill clause, should Moldova fail to control the respect for origin rules, as well as a number of economic, political and social commitments towards the European Union.

Export promotion and development

The foreign trade has generally followed the same way in January-February 2008 like in 2007. Imports have grown more (+34.8 percent) than exports (+29.3 percent), raising a deficit of 115.1 million dollars, which is by 37.8 percent more than in the similar period of 2007. In all likelihood, this trend will continue in the near future, as main factors sustaining the high internal demand will be effective in continuation, particularly remittances by Moldovan emigrants, foreign direct investments and official external assistance. Dear energy resources will also fuel imports. Exports to the EU have increased by 21.8 percent, covering 53.1 percent of all exports. However, exports to the EU covered 56.4 percent of all exports in January-February 2007. The lower share of exports to the European market is explained by a stronger growth (1.6-fold) on CIS market, especially to the Russian Federation, being also motivated by the lifting of the "wine" embargo. Data on Moldovan wine exports also indicate the direction of the "way of wine" made in Moldova. The CIS market absorbed bottled wines (which enjoy the greatest access to the European market) worth 14 million dollars out of 19.4 million dollars, of which the Russian market which has just reopened after the embargo has absorbed 6.5 million dollars or one third of all Moldovan wine exports. As regards European markets, the Moldovan wine is most demanded in Poland, Romania and the Czech Republic. Of course, these transformations have boosted the share of "food products, drinks and tobacco" in all exports from 14.3 percent up to 18.6 percent. The "eastern" trend of Moldovan exports is shortly expected to prevail on the "western" one. Advantages of the lifted "wine" embargo and increasing consumer demand in CIS will have stronger immediate effects on Moldovan exports than the Autonomous Trade Preferences. Even more, the use of ATP is negatively influenced by slow progress in adopting European quality standards and sanitary and phytosanitary regulations. For example, Moldovan honey exports to the European market could be blocked again, as European sanitary requirements are not respected.

Customs

The nomenclature of Moldovan goods revised accordingly to the readjusted goods codification and description system entered into force on January 1, 2008. The Moldovan nomenclature fits now the community one at the level of 6 digits only. Next step is to adjust it up to 10 digits.

The "one-stop-shop" principle is slowly implemented and 4 customs stations only had it in early 2008. In order to speed up the implementation of this principle in January 2008 the Government adopted the Decision 29 (18.01.2008) to modify some legislative acts and authorise the Customs Service to take over competences of the State Phytosanitary Quarantine Service, State Environmental Inspectorate and AMTAI.

Sanitary and phytosanitary standards

No important progress was made in this area in the period concerned.

Approaching EU and international administrative and legislative practices on technical regulations and conformity assessment

In order to fully enjoy the liberalisation of trade with EU, Moldovan companies shall adjust their manufacturing process to European quality and management systems. Progress in this area are pretty low so far.

Key actions in January-February addressed quality infrastructure and rights of consumers. The Government approved the Decision 13 (17.01.2008) concerning measures in the area of quality infrastructure, with the Standardisation and Metrology Service being appointed central specialised body of the public administration in charge with quality infrastructure. Also in January, the 2008 consumer protection strategy was approved under Government Decision 5 (14.01.2008). The strategy sets up priorities in the consumer protection area for the next 5 years and its objectives will be integrated into other relevant national strategies. It is premature to speak about perceptible results of this strategy. The following technical regulations have been approved in the period concerned: "Toys. Security Norms", „Electromagnetic compatibility of equipment"

Monitoring grid 6. International trade

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
Commercial relations	<ul style="list-style-type: none"> ATP have been provided; 	<ul style="list-style-type: none"> Facilitated access of Moldovan exports to EU; Geographic diversification of Moldova's foreign trade; "Sensible" products will be accepted on the basis of some shares; Stimulated adoption of European quality and food security standards to benefit by ATP; 	<ul style="list-style-type: none"> Pro-active attitude by Moldovan diplomacy; Fulfillment of technical requirements of the European Commission by competent Moldovan bodies to get ATP; Readiness of European Commission to liberalise trade with Moldova; Slow progress in adopting sanitary and phytosanitary norms could reduce utility of ATP for Moldovan exports; 	+1.5	<ul style="list-style-type: none"> Moldovan and international legislation; Web resources; Report on activity of community organisations;
Export promotion and development	<ul style="list-style-type: none"> Resumption of wine exports to the Russian market; Trade deficit is growing on background of an alarming rise of imports; The granting of ATP may have a limited impact on Moldovan exports to European market in the immediate perspective; 	<ul style="list-style-type: none"> Argued progress in wine industry; The resumption of wine exports to the Russian market has increased the share of eastern markets in geographic structure of Moldovan exports; 	<ul style="list-style-type: none"> The apparent "warming" of Moldova-Russian diplomatic relations; Slow progress in implementing internal economic reforms will moderate the export growth, particularly to European market; Adoption of European norms will become crucial for agricultural supplies to CIS, too; 	+1.0	<ul style="list-style-type: none"> Statistics; Reports by MEC;
Customs	<ul style="list-style-type: none"> Better functioning of the Customs Service; 	<ul style="list-style-type: none"> The "one-stop-shop" principle is slowly implemented at all customs offices in Moldova; 	<ul style="list-style-type: none"> Institutional inertia and limited funds; 	+0.5	Assessments by authors;
Sanitary and phytosanitary standards / Technical regulations, conformity assessment	<ul style="list-style-type: none"> Adoption of the Consumer Protection Strategy; The Parliament adopted the law on sanitary-veterinary service; 	<ul style="list-style-type: none"> Perspective to adjust Moldovan animal exports to requirements of community market; Facilitated adjustments of Moldovan technical standards to European norms; 	<ul style="list-style-type: none"> Institutional inertia and insufficient administrative capacity of responsible agencies; 	+0.5	<ul style="list-style-type: none"> Moldovan and international legislation;

7. BUSINESS CLIMATE

Trade law reform

January and February were not rich in events in the trade law area. Two important laws adopted in 2007 have entered into force, in particular, the law on accountancy,⁸⁶ which simplifies the financial reporting procedure, introducing biannual and annual reports instead of quarterly reports, and the law on auditing.⁸⁷

Regulatory reform

The much-expected law on basic entrepreneurship regulatory principles⁸⁸ entered into force in January. However, there are some arrears regarding the integral implementation of laws related to the regulatory reform. A better exchange of information shall be ensured between the Bureau of Statistics, Chamber of Licensing and Main Tax Inspectorate, accordingly to the draft law on registration of legal entities and individual entrepreneurs,⁸⁹ which will enter into force in May 2008.

Privatisation

After auctions held by the Stock Exchange in November 2007, the next auction was set for March 2008 accordingly to the law on management and privatisation of public property. But these auctions are reduced to privatisation of unimportant facilities. At the same time, the Government committed itself to privatise Banca de Economii, under the Memorandum on Economic and Financial Policies for 2008. The contract with the adviser which will put the bank on sale within six months shall be signed by late September. Also by late September, the Government is due to select an adviser to assess ways to privatise S.A. Moldtelecom. The way Moldtelecom will be privatised is very important. In order to liberalise the telecommunication market and make competitive conditions in the area, Moldtelecom shares shall be divided and privatised separately, but this will reduce much the value of the company, so that such a privatisation does not lure the Government.

Fiscal Code

New amendments to the Fiscal Code entered into force in January. The duty-free reinvested profit of economic agents raises a major interest. This action aimed to encourage investments has reduced by about 44 percent the budgetary revenues from income taxes on entrepreneurship in the first two months of this year, compared with the similar period of 2007. At the same time, entrepreneurs willing to distribute profit are discontent. Under the Fiscal Code, economic agent pays a tax equivalent to 15 percent of the dividends to be paid, and starting 2008 dividends are part of taxable incomes of individuals.

Two laws on ratification of conventions concerning avoidance of double taxation and prevention of fiscal evasion on income and capital taxes and the related protocol with the United Kingdom and Spain have been promulgated in the first two months of 2008. The importance of these laws consists in the positive effect on persons working in the two countries and economy of the country, as they will attract capital of Moldovan nationals.

⁸⁶ Law # 113 from 27.04.2007;

⁸⁷ Law # 61 from 16.03.2007;

⁸⁸ Law # 235 from 20.07.2006;

⁸⁹ Law # 220 from 19.10.2007;

Monitoring grid 7. Business climate

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
Commercial law reform	<ul style="list-style-type: none"> The law on basic entrepreneurship regulatory principles has entered into force; the law on state registration of legal entities and individual entrepreneurs will be enforced soon; 	<ul style="list-style-type: none"> It helps improving the business climate by simplifying the procedure of recording and erasing from the State Register; 	<ul style="list-style-type: none"> A complete exchange of information between the Bureau of Statistics, Main Tax Inspectorate and Chamber of Licensing is not ensured yet; 	0	Moldovan legislation; Assessment by authors;
Regulatory reform	<ul style="list-style-type: none"> The Stock Exchange has set auctions to sell shares in state enterprises; 	<ul style="list-style-type: none"> No important objectives have been raised; 	<ul style="list-style-type: none"> Commitment to privatise Banca de Economii and S.A. Moldetelecom assumed under the Memorandum on Economic and Financial Policies signed with IMF; 	+0.5	Assessment by authors;
Privatisation	<ul style="list-style-type: none"> Duty-free reinvested profit of economic agents; 	<ul style="list-style-type: none"> Imperceptible; 	<ul style="list-style-type: none"> The 15-percent tax on dividends distributed as profit of economic agent and revenue of individuals raise discontentment; 	0	Assessment by authors;

8. BORDER, MIGRATION AND TRAFFICKING IN HUMAN BEINGS

State border guard concept

Progress:

- The Border Guard Service has worked out the draft code of professional ethic and conduct of border guard and the draft *law on modification and completion of the law concerning state border of the Republic of Moldova*. Both drafts have been coordinated and surveyed by EUBAM to assess their accordance with the EU legislation on border.

Shortcomings and problems:

- Although the execution term for the adoption of the National Security Strategy of the Republic of Moldova was over in late 2007, the document was not finished by the end of February 2008.⁹⁰ The delay is linked to the conditioned adoption of the National Security Strategy with the enforcement of the *national security Concept*, which was not submitted yet to the Parliament for examination. Given this situation, the new **Concept of the state border guard for 2007-2010** was not adopted, though this should be done in the first half of 2007,⁹¹ nor the draft *National Strategy on integrated management of the state border of the Republic of Moldova*.

Cooperation between border management agencies

Progress:

- Progress in this area is particularly due to the EU Border Assistance Mission (EUBAM) to Moldova and Ukraine, which was extended for two more years (01.12.2007-01.12.2009). European officials including Finnish Foreign Minister E.S. Ilka Kanerva, OSCE Chairman-in-Office, and Mrs. Benita Ferrero Waldner, European commissioner for external relations and Neighbourhood Policy have appreciated the EUBAM during official visits.⁹²
- Cooperation between the EUBAM and BGS team was dynamical in continuation; BGS continued to provide the necessary support to EUBAM, while the latter kept providing the expertise needed for legislative drafts by BGS.
- BGS representatives have observed the first meeting to prepare the "Five Borders 2008" project organised by FRONTEX Agency⁹³ (in Warsaw on February 1, 2008). It will be able to plenary participate in this project only after the elaboration and signing of the legal framework on cooperation between FRONTEX Agency and Moldova;
- The first issue of the joint newsletter of Moldovan and Ukrainian border guard and customs services was published in February 2008 with the EUBAM assistance and it provides information about border procedures, reforms within services and common cooperation.⁹⁴
- Also in February 2008, EUBAM organised a seminar on public relations for press services of border guard and customs services of Moldova and Ukraine. EUBAM assured that it will provide necessary assistance and advisory to press services in holding public information campaigns regarding institutions they represent.

Migration evaluation and monitoring

Progress:

- The Integrated Automatic Information System in the area of Migration (IAISM) is being built. IOM distributed technical tasks for departmental information systems to MIA, MEC and MFAEI in January. IT networks and basic equipment needed to support the departmental information system on migration of the National Employment Agency of MEC and Bureau for Migration and Asylum have been supplied and installed later.⁹⁵
- The Government has established the number of immigrants that Moldova will accept in 2008 – 2,068 persons.⁹⁶

Shortcomings and problems:

- Agencies in charge with evaluating and monitoring migration (Bureau for Migration and Asylum of MIA, Labour migration Directorate of the National Employment Agency) are not mediated enough. The Bureau for Migration and Asylum provides the only statistics on number of migrants in monthly newsletters.⁹⁷ According to newsletters, 561 persons migrated to Moldova in February 2008 and received immigrant cards (204 joined their families, 245 for labour purpose and 112 for education purpose), 217 adults and 21 children have been repatriated to Moldova and 219 persons are hosted by protection and asylum system. It is hard to evaluate the accuracy of these data, given a single information source and non-inclusion of illegal migration in Moldova.

International cooperation

⁹⁰ PD # 300/24.11.2005, Point 82 of Annex;

⁹¹ PD # 300/24.11.2005, Point 94 of Annex;

⁹² See articles and communications „Priority of the Finnish OSCE Chairmanship”, newspaper “Moldova Suverana”, 17.01.2008, www.eubam.org, 16.01.2008, www.mfa.md from January-February 2008;

⁹³ FRONTEX Agency – European Agency for the Management of Operational Cooperation at External Borders of Member States of the European Union;

⁹⁴ http://www.customs.gov.md/buletin/Joint_newsletter_feb08-md.pdf.

⁹⁵ See the press release by ADDI and IOM „Increased migration management capacities in the Republica of Moldova”, 20.04.2008, www.iom.md;

⁹⁶ GD # 63 from 26.01.2008, MO nr.21-24/127;

⁹⁷ <http://www.mai.md/note-info/>;

Progress:

- A delegation from the Coordinating Service of the Board of CIS border guard commanders visited Moldova in January 2008. The sides studied cooperation prospects between border institutions for 2008. Also, they tackled issues related to cooperation and assessment of international inter-institutional treaties.
- A delegation from the Ministry of Internal Affairs has attended the meeting of a working group on implementation of the Police Cooperation Convention for South East Europe (January 29-30, 2008, Tirana), which discussed issues related to the implementation of the convention, as well as aspects of the further cooperation between police institutions from countries in the region. Also in Tirana, Moldova and Albania have agreed to sign nongovernmental agreements on readmission and combat of organised crime in 2008.
- The Council of Europe Convention on Action against Trafficking in Human Beings, an international legal instrument for the prevention of trafficking in human beings, prosecution of traffickers and protection of victims, entered into force on February 1, 2008. The convention will allow the harmonisation of national legislations of 23 signatory countries. Moldova signed the Convention on May 19, 2006.
- The Prosecutor-General's Offices of Moldova and Hungary have signed a memorandum on cooperation in areas of common interest, particularly on issues relating to criminal matters on smuggling, trafficking in human beings, and other offences from category of organised crime.⁹⁸
- The Moldovan Foreign Ministry and officials of the United Nations High Commissioner for Refugees held consultations on February 18, 2008 to extend the mandate of international personnel of the UNHCR representation to Moldova and to continue assisting Moldova in resolving problems concerning refugees, asylum seekers and internally displaced people.⁹⁹
- Law 5/07.02.2008 for the ratification of the Police Cooperation Convention for South East Europe was adopted to intensify cooperation for the prevention, discovery, investigation and combat of offences.

Correlation of national legislation with European regulations**Progress:**

- The framework regulation of territorial commissions for the struggle against trafficking in human beings was approved. The regulation comes to readjust the national normative framework to the Council of Europe Convention on Action against Trafficking in Human Beings adopted in Strasbourg on May 3, 2005. It regulates the establishing of territorial commissions for the fight against trafficking in human beings, their basic tasks and competences, interactions between territorial commissions and national committee for the struggle against trafficking in human beings and central and local public authorities.¹⁰⁰

Visa policies**Progress:**

- After Moldovan-Bulgarian consultations on consular relations between the two countries on February 22, 2008, the Bulgarian side has decided to extend the facilitated Bulgarian visa regime and to facilitate the transit of Moldovans via Bulgaria by introducing the following regulations, which will enter into force in March-May 2008¹⁰¹:
 - Citizens of Moldova who hold Romanian and Cyprian visas or resident permits in a member state of the European Union will be freed of visa to transit Bulgaria;
 - Citizens of Moldova who hold Schengen visas will be issued Bulgarian visas the day when they will apply, like Moldovan athletes who will provide Bulgarian invitations to consular authorities to prove that they are invited at competitions confirmed by their clubs, tourism agencies accredited at the consular department of the Bulgarian Embassy in Chisinau.
- The agreement on representation of Sweden in the Common Visa Application Centre (CVAC) administrated by the Hungarian Embassy in Chisinau was signed on February 28, and it says that Moldovan citizens will be able to apply for Swedish visas at CVAC starting April 1, 2008.

Shortcomings and problems:

- The Foreign Ministry decided in February 2008 to cease the activity of the Airport Consular Office. Thus, starting March 1, 2008, foreigners who need visas to enter, leave and transit Moldova will have to apply to diplomatic and consular missions of Moldova abroad, contrary to previous procedures when they got visas at the state border crossing office Chisinau International Airport.

Trafficking in human beings: trends

⁹⁸ <http://www.procuratura.md/>;

⁹⁹ Article „Moldova isi va intensifica parteneriatul cu ICNUR” published by newspaper Moldova Suverana on 18.02.2008;

¹⁰⁰ GD # 234 from 29.02.2008;

¹⁰¹ According to a communication published on the MFAEI website <http://www.mfa.md/noutati/1166>;

Shortcomings and problems:

- The lack of updated information on migration and trafficking in human beings on websites of the Centre for Combating Trafficking in Persons of the Ministry of Internal Affairs (<http://www.mai.md/centrul-combatere>) and the Directorate for migration of the labour force of the National Employment Agency (http://www.anofm.md/dir_MFM). It is hard to establish latest trends of trafficking in human beings because of little statistics and short monitoring period (January-February 2008).

Prevention of trafficking in human beings and assistance of victims**Progress:**

- The Centre for Combating Trafficking in Persons of the Ministry of Internal Affairs jointly with representatives of the Centre for the Prevention of Trafficking in Women have organised four seminars in January-February 2008 to raise awareness and notify students over trafficking in human beings and illegal migration as part of the anti-trafficking media campaign on strengthening capacities of young generation against trafficking in human beings, information of society about consequences of trafficking in human beings and illegal migration (2 seminars at the State Pedagogical University Ion Creanga, 2 seminars at the Moldova State University).¹⁰²

Shortcomings and problems:

- Low number of qualified personnel to assist victims of trafficking in human beings.
- NGOs and international organisations continue to be main assistant and protectors of victims of trafficking in human beings.

Coordination of actions and fight against THB**Progress:**

- Italian authorities have decided, after a visit by a delegation from the Italian Foreign Ministry in January 2008, to raise the number of Moldovans who will be issued legal labour permits in 2008 up to 6,500 persons.¹⁰³ Moldova opened a General Consulate in Bologna, Italy on January 29, 2008.
- On January 18, the Centre for Combating Trafficking in Human Beings jointly with relevant NGOs studied the updated understanding memorandum on standard procedures of cooperation in the area of assistance of victims of trafficking in human beings in Moldova.
- The 2008 Action Plan on protection of Moldovan citizens abroad (Government Decision # 94 from 04.02.2008) was approved. Actions planned for 2008 include among others the opening of diplomatic and consular missions to destination countries of Moldovan migrants (Spain, Turkey, Canada, Russia Federation, United Arab Emirates, Ireland, etc.), signing of intergovernmental agreements on labour and social protection of workers from destination countries of Moldovan migrants, elaboration and introduction of the electronic system for registration of apostille, etc.
- Officers of the Border Guard Service from state border checkpoints, as well as representatives of the Customs Service and Interior Ministry have been trained at a specialised seminar on border restrictions and frauds (January 14-18, 2008) by U.S. border control experts. They have been inured to experience of U.S. border services regarding matters such as preventing the violation of the border crossing legislation (survey of forged documents, illegal migration, currency smuggling, etc.)¹⁰⁴
- The Centre for Combating Trafficking in Persons of the Ministry of Internal Affairs hosted on January 21-25 a training course on interviewing techniques and working with informers, organised by officers of the U.S. Federal Bureau of Investigation. Taking part in the course were officers from the ministerial centre, Border Guard Service, Customs Service, CCECC and Security and Information Service.¹⁰⁵

¹⁰² See press releases by the Ministry of Internal Affairs at <http://www.mai.gov.md/stirile-min-ro/> from 22.02.2008, 04.02.2008 and 23.01.2008;

¹⁰³ According to a press release by MFAEI, www.mfa.md;

¹⁰⁴ Press release by the Border Guard Service of Moldova from 17.01.2008;

¹⁰⁵ The training programme is funded by the U.S. Embassy to Moldova;

Monitoring grid 8. Border, migration and trafficking in human beings

Indicators / Areas	Evolutions / involutions January-February 2008	Practical impact of changes	Factors encouraging / discouraging progress	Quantification of progress January-February 2008	Sources used for assessment
State border guard concept	<ul style="list-style-type: none"> Not approved; 	<ul style="list-style-type: none"> Imperceptible; 	<ul style="list-style-type: none"> Delayed adoption of the national security strategy; 	0	<ul style="list-style-type: none"> Moldovan legislation;
Cooperation between border management agencies	<ul style="list-style-type: none"> They share experience; EUBAM provided assistance to Moldovan and Ukrainian customs and border guard services under the shape of advisory and training; 	<ul style="list-style-type: none"> Dynamic cooperation; EUBAM helped optimising work of border guard and customs services and improving cooperation between agencies and transborder cooperation; 	<ul style="list-style-type: none"> Activity of authorities in the area; 	+1	<ul style="list-style-type: none"> BGS; Customs Service; MIA; EU, EUBAM; Websites;
Migration monitoring and assessment	<ul style="list-style-type: none"> The national action programme on migration and asylum is being implemented; The Integrated Automatic Migration Information System is being built with the IOM support; 	<ul style="list-style-type: none"> Strengthening capacities to implement migration and asylum policies; Increasing efficiency of migration monitoring and management agencies (subdivisions of MIA and MEC); 	<p style="text-align: center;"><i>E n c o u r a g i n g :</i></p> <ul style="list-style-type: none"> Local and international cooperation between competent structures and authorities; Activity of NGOs; <p style="text-align: center;"><i>D i s c o u r a g i n g :</i></p> <ul style="list-style-type: none"> Institutional inertia; Lack of updated statistics; 	+0.5	<ul style="list-style-type: none"> MIA; IOM; Websites;
Visa policies and alignment of legislation to EU norms	<ul style="list-style-type: none"> Negotiations on extension of the facilitated Bulgarian visa application and transit visa regime for Moldovan citizens; The Common Visa Application Centre is enlarging; The Airport Consular Office ceased its activity; 	<ul style="list-style-type: none"> Imperceptible for the time being, but it will be perceptible after enforcement of facilities; The number of countries which join the Common Visa Application Centre is on the rise; Difficulties faced by foreigners and Moldovan citizens to get visas; 	<ul style="list-style-type: none"> Activity of MFAEI; Efficient cooperation between EU officials and Moldovan authorities; Strict conditions for common people to get visas; 	+0.5	<ul style="list-style-type: none"> MFAEI; Websites;

<p>Prevention of THB and assistance of victims</p>	<ul style="list-style-type: none"> • Joint actions are being implemented; 	<ul style="list-style-type: none"> • Awareness of citizens; 	<ul style="list-style-type: none"> • Cooperation between state bodies and relevant organisations in the area; • Activity of NGOs; 	<p>+1</p>	<ul style="list-style-type: none"> • LaStrada; • MIA (CSTP);
<p>Coordination of actions and struggle against THB</p>	<ul style="list-style-type: none"> • Development of local and international cooperation including by sharing experience between bodies in charge with combating THB; • Approval of the 2008 national action plan on protection of Moldovan nationals abroad; • Ratification of the Council of Europe Convention of Action against Trafficking in Human Beings; 	<ul style="list-style-type: none"> • Experience; • Increasing efficiency of bodies in charge with combating trafficking in human beings; • Intensified regional and international cooperation against trafficking in human beings; 	<ul style="list-style-type: none"> • International cooperation between specialised structures; • Intense activity of Moldovan NGOs in assisting THB victims; 	<p>+1</p>	<ul style="list-style-type: none"> • BGS; • MFAEI; • Prosecutor-General's Office; • Websites;

ABOUT PROJECT AND ORGANISATIONS

This report is published as part of the project "*EU – Moldova Relations – Improving Public Information and Debate on Key Developments*". The project is implemented by two non-governmental organisations: ADEPT and EXPERT-GRUP, and it is funded 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 to continue the promotion of wide public debates in society regarding advantages of the European integration of Moldova in the context of implementation of the Action Plan. It bears therefore two objectives:

Objective 1: Monitoring evolutions in the EU-Moldova relations and conducting a relevant analysis.

Objective 2: Enhancing awareness and improving knowledge about major political developments in the Moldova-EU dialogue.

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. 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 non-government 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.