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Implementation of reforms initiated according
to the EU-Moldova Plan,
Assessment of progress in October-December 2011

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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 or other institutions mentioned in this report.*

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INTRODUCTION

The Republic of Moldova is an EU partner in the framework of the European Neighbourhood Policy (ENP). In the ENP framework the European Union – Republic of Moldova Action Plan (EUMAP) was signed in 2005 for a three-year term and was based on the Partnership and Cooperation Agreement (PCA). The EUMAP term is formally over, but the plan is relevant so far, as EU will assist Moldova under the EUMAP until 2013.

On January 12, 2010, the Republic of Moldova and the European Union pledged to negotiate an ambitious document, an Association Agreement to replace the PCA. In parallel, EU authorities negotiated and completed in late 2010 with the Moldovan Government the Visa Liberalisation Action Plan,¹ which contains 4 important blocs: security of documents; illegal immigration; rule of law and security; foreign relations and fundamental rights. Before the signing of the new legal document on EU-Moldova relations, following priorities and reform commitments needed to meet political criteria of implementation of EU standards and principles are in force: human rights; democratic standards; independent and efficient justice; probity of governance, administrative capacities and anticorruption fight, etc.

One part of the Association Agreement will address an eventual Deep and Comprehensive Free Trade Area (DCFTA) and the European Union submitted a set of recommendations to the Moldovan executive, which were transposed into Government Decision No. 1125 of 14 December 2010 concerning the approval of Moldova's Action Plan on Fulfilment of the EU Recommendations for the establishment of a Deep and Comprehensive Free Trade Area between the Republic of Moldova and the European Union."²

The developers of Euromonitor, ADEPT and EXPERT-GRUP, are monitoring the following area³:

1. **Implementation by Moldovan authorities of reforms in priority areas conventionally described as "political": protection and implementation of human rights; independent and efficient justice; governance reform and anticorruption fight; Transnistrian settlement.**
2. **Implementation of the Action Plan concerning the Fulfilment of the EU Recommendations, opportunities and barriers to the preparation of Moldova to negotiate a DCFTA and progresses made by Moldova.**

¹ Moldovan Government approved a national programme concerning the implementation of the Visa Liberalisation Action Plan (GD 122/04.03.2011).

² Hereinafter Action Plan concerning the Fulfilment of the EU Recommendations.

³ In default of a new ordinate document, developers decided to focus the monitoring on priorities of the Governance Programme for 2011-2014, and the first report covers among others the priorities set in accordance with the matrix of the Action Plan „Priority reform actions of the Republic of Moldova – Key measures until June 2011”, <http://www.mfa.gov.md/img/docs/implementation-tool-matrix-en.pdf>.

Section I. MONITORING THE IMPLEMENTATION OF REFORMS IN PRIORITY AREAS (POLITICAL)

Area 1: PROTECTION AND IMPLEMENTATION OF HUMAN RIGHTS

Analysis of current situation

The human right situation in the Republic of Moldova has been monitored by the international community in 2011. Republic of Moldova was visited by the Council of Europe Commissioner for Human Rights, UN High Commissioner for Human Rights, UN Special Rapporteur on freedom of religion or belief. At the same time Moldova has presented reports to the United Nations Human Rights Council, under the Universal Periodic Review Mechanism, to the Committee on the elimination of Racial Discrimination, as well as reports on achieving the provisions of the International Covenant on Economic, Social and Cultural Rights and Convention on the Elimination of All Forms of discrimination against Women. Conclusions of rapporteurs and final observations of international bodies on national reports highlight the fact that Human Rights remains a problematic area, despite adoption of several normative acts and action plans on protection of human rights. Torture and ill-treatment, especially in temporary detention facilities⁴, discrimination and domestic violence remained the most widespread human rights violations. The increase of number of torture and other ill-treatment complaints submitted to the Prosecutor's Office in 2011, with over 130 in comparison to 2010, shows not only the amplexness of phenomenon, but also the inefficiency of preventive measures against torture used by police.

The lack of a palpable progress in the protection of human rights area is mainly due to the absence of an efficient mechanism of application of existent legislation and investigation/ sanction of human rights violation cases. Other major problems are corruption of public officials and law enforcement bodies, politicization of state institutions, as well as low level of awareness of human rights importance among bodies responsible for legislation enforcement (representatives of police, judges). Respect of human rights is seen as an obligation rather than a belief.

In 2011, Government continued to improve the regulatory framework on protection of human rights. Several national programs/ actions plans for implementation of legal provisions were adopted, but many of these do not have precise financial coverage and rely on external funding. Positive evolutions were observed in ensuring freedom of conviction and religion and freedom of assembly. In 2011, the first Islamic organization – Islamic League, was registered, after a period of 3 years from submitting documents.

Despite the undertaken commitments and numerous recommendations of international institutions, Republic of Moldova has failed also in 2011 to adopt a comprehensive regulatory framework, which includes efficient procedures against discrimination and ensures the right to compensation for victims of discrimination. The failed attempt to adopt this law has shown the existing high level of intolerance in society, which can be reduced only with the joint effort of Government and civil society by a broad information campaign. Unfortunately, no coordinated actions were carried out in 2011 and the draft anti-discrimination law did not advance beyond the public consultations stage.

⁴ This fact is confirmed by the official statistics for 2011, provided by the Prosecutor's General Office, <http://www.procuratura.md/md/com/1211/1/4434/>.

Monitoring of specific actions

In the fourth quarter of 2011, public central authorities have undertaken the following actions:

- Ministry of Justice has continued public consultations on anti-discrimination law and initiated the elaboration process of amendments on ombudsman institution and Center for Human Rights ;
- Ministry of Education has developed and submitted for public consultations the draft of Action Plan for 2011-2016 on implementation of Program for the development of inclusive education for 2011-2020. The action plan was not adopted until the end of 2011, although it provided measures which had to be carried out already in 2011;
- Government adopted the National Action Plan on preventing and eliminating the worst forms of child labor for 2011-2015;
- Government adopted the draft law on social inclusion of people with disabilities⁵, which comes to replace the existing law on social protection of invalids. In particular, the law contains clear provisions on the rights of people with disabilities and their non-discrimination in all areas of public and private life, policy of ensuring accessibility for people with disabilities and obligations of public central authorities in respecting these rights. The law was submitted to Parliament for consideration and adoption;
- Government approved the draft law for Moldova's accession to the Convention on the Status of Stateless Persons, adopted on September 28, 1954 in New York⁶. The draft law was submitted to Parliament for consideration and adoption.

Monitoring table 1. Progress in implementing actions in the area „Respect for human rights and freedoms⁷” planned for the 4th quarter of 2011

Planned action	Progress / Comments
<p>Ensuring accountability for all reported human rights violations in relation to the events of April 2009</p> <ul style="list-style-type: none"> - Investigation of all torture cases related to the events of April 2009 - Ensuring criminal amenability of persons whose actions/ inactions have led to events of April 2009 	<p>No progress. The situation did not change in comparison to previous quarter. Out of 58 criminal cases initiated in the case of 7 April 2009 events, until the end in 2011, only 3 policemen were convicted for “abuse of power” (Article 328 (2)c CC) in respect to the events of April 2009 and 2 for “torture” (Article 3091 CC), with conditional suspension of punishment. Judgments are not final⁸. In 19 cases, policemen were discharged by the courts. In the absence of a national defining sentence to persons charged with torture, until today 9 cases regarding the events of April 2009 were submitted to ECHR. In one case the Court recognized the violation of Article 3 of Convention against Torture. Other 4 cases are already pending.</p>
<p>Adopting and starting to implement the revised National Human Rights Action Plan (NHRAP), by ensuring appropriate enforcement, funding and monitoring mechanisms involving civil society.</p>	<p>Partly fulfilled. The Parliament approved on May 12, 2011 the National Human Rights Action Plan (NHRAP) for 2011-2014. The Government is late to set up a commission in charge with the implementation of the NHRAP for 2011–2014, which will coordinate the implementation, will monitor and assess the NHRAP-related progress. At the end of 2011, the Commission was not set up and the regulation for its activity was not adopted. Several actions planned for 2011 had not been carried out.</p> <p>As well, Ministry of Justice and Parliamentary Committee</p>

⁵ GD no.940 of 12.12.2011.

⁶ GD no.826 of 9.11.2011.

⁷ The table was drawn up accordingly to the Action Plan “Priorities of reform actions of the Republic of Moldova – Key measures until June 2011”, <http://www.mfa.gov.md/img/docs/implementation-tool-matrix-en.pdf>, which was extended until the drafting of the EU-Moldova Association Agenda

⁸ Official Information of Prosecutor’s General Office.

	for Human Rights and Interethnic Relations has to update NHRAP in accordance with the recommendations made for Republic of Moldova under the Universal Periodical Review of October 12, 2011.
Completing or amending existing legislation to adopt a comprehensive antidiscrimination framework in line with international standards	Slow progress. Anti-discrimination law was adopted neither by the Parliament nor by the Government. In October, Ministry of Justice has submitted for public consultations the draft of anti-discrimination law after which in September has organized a round table on the same issue with deputies, representatives of ministries, religious cults and NGO's. In accordance with the legislation on transparency in decision making process, as a result of public consultations, the summary of recommendations had to be placed on the web page of Ministry, but this information is missing. During this period, several public persons have made discriminatory and racial statements.
Developing a new Action Plan on Roma in close consultation with civil society	Accomplished. The action plan on support for the Roma in Moldova for 2011-2015 was approved under Government Decision No. 494 as of 08.07.2011. Interethnic Relations Bureau has to submit the annual progress report on the implementation of Action Plan to the Government until February 10. According to the GD nr. 494 as of 08.07.2011, the report has to be made public by publishing it on the official page of Interethnic Relations Bureau and State Chancellery.
Enhancing significantly public access to draft legislation via relevant government and parliament website	Moderate progress. All ministries have placed on their web pages, sections dedicated to transparency, but about 1/3 of these are not developed. Although the majority of public central administration authorities ensure the access to decision drafts and related materials, over 1/3 of ministries carry out this action with infringement of legislation on transparency in the decision making process by placing the documents with delays, without indicating the date of drafts' placing or period provided for public consultations of these. Drafts of regulatory acts and records of plenary sittings of the Parliament are placed on time on the web page of the legislative body.
Further consolidate the systematic training of judges and prosecutors on the European Convention on Human Right	Is being developed. Training courses for judges and prosecutors provided by the National Institute of Justice include the mandatory course "ECHR and ECHR jurisprudence" which offers information on ECHR principles, functioning and effects of ECHR judgments. NIJ conducts periodically, with logistical and external consulting support, sessions dedicated to investigation peculiarity of certain categories of offenses against human rights.
Ratifying the Rome Statute of the International Criminal Court (ICC) and preparing approval of the necessary legislative amendment	No progress. The Parliament ratified the Rome Statute on September 9, 2010, with a reservation clause for Transnistrian region, but the national legislation was not adjusted yet to the provisions of Rome Statue. The Agreement on Privileges and Immunities of the ICC has been not ratified yet.
Ratifying Protocol 12 of the European Convention on Human Rights and Fundamental Freedom⁹.	No progress. Although Moldova had signed the Protocol 12 of ECHR on general prohibition of discrimination on 4.11.2000, it has been not ratified yet.
Intensify efforts, including financial contributions, undertaken in 2010 to modernise the penitentiary institutions, including the transfer of responsibility for pre-trial detention centres from	Slow progress. In many penitentiaries, temporary detention facilities have been made face lifts, but the ampleness of reparation works, which were mostly financed from external sources, is reduced. In several penitentiaries and temporary detention facilities, the detention conditions remain to be degrading, especially in penitentiary nr. 13.

⁹ Protocol No. 12 to ECHR refers to the general prohibition of discrimination.

the Ministry of the Interior to the Ministry of Justice	This fact is confirmed and by the Mechanism for Torture Prevention reports ¹⁰ . Preventive detention facilities were no transferred from the Ministry of Internal Affairs to the Ministry of Justice ¹¹ .
Ensure that the law on assemblies is duly implemented and the right to freedom of assembly is respected in practice.	Is being developed The law on public assemblies is respected, public assemblies are held without restrictions. In November – December 2011, Ministry of Internal Affairs has submitted for public consultations the draft of a new law on public assemblies, procedure of ensuring and restoring public order during the assemblies ¹² , which comes to complement the law on assemblies regarding the aspects of maintaining, ensuring and preventing public order during the assemblies.
Ensure effective implementation of the National Plan for Gender Equality 2010-2015, following its approval, in close coordination with international partners	Is being developed No delays were observed in implementation of plan activities. The main concern relates to the lack of data on the fulfilled actions efficiency. The international information campaign “16 days of actions against gender-based violence” was organized and the first analytical report on violence against women from Moldova ¹³ was launched. Both actions were supported by international institutions.
Enhancing the independence and functioning of the Parliamentary Advocates and the Human Rights Centre, in particular taking corrective measures to ensure compliance with the Paris principles and recommendations formulated by the UN special procedures, UN treaty bodies and the CPT in this regard.	Slow progress. A working group in charge with the modification of law on ombudsmen was set up by the center for Human Rights in the 1 st quarter of 2011 ¹⁴ . The activity of the working group was not transparent; no information about its activity was made public. In November 2011, the Minister of Justices set up a new working group charged with the revision of the existing legal framework of the Ombudsman activity ¹⁵ . In December 2011, Ministry of Justice announced the initiation of draft decision on modification of law on Ombudsman and Center for Human Rights.

Assessment of progress

The Government continued to carry out actions for fulfilling the undertaken commitments in the area of human right. But this process has developed slowly, with delays or even without any progress in such important areas as investigation and amenability of persons guilty of torture in April 2009, adoption of anti-discrimination law and consequently, of the Protocol 12 of European Convention of Human Rights. The carried out activities aimed to adopt and/or amend the normative framework, which regulates the protection of human rights.

Recommendations

- Ministry of Justice to update the Action Plan in the Area of Human Rights by introducing the final recommendations of the United Nations Human Rights Council on the Report of the Republic of Moldova, presented under the Universal Periodic Review on October 12, 2011;
- Speeding up the adoption of the antidiscrimination law which shall include an efficient implementation mechanism and protect rights of victims of

¹⁰ The situation is revealed by the National Mechanism for Torture Prevention, as a result of regular visits to penitentiaries. The reports of visits are available on <http://www.ombudsman.md/md/rapoarte%20mnpt/>.

¹¹ The Ministry of Justice argues that this will occur in 2014, when the process of justice reform will be completed.

¹² The draft of law was made public on 17.11.2011 and is available on the web page of Ministry of Internal Affairs, section “Transparency in decision making process/ Announcements on public consultations”.

¹³ Report drafted by the National Bureau of Statistics, http://www.statistica.md/public/files/SeminareConferinte/Violenta_fam_dec_2011/Raport_violenta_fam.pdf.

¹⁴ Statement made the director of the center, Anotolie Munteanu, Parliamentary advocate, at the EU-Moldova Human Rights Dialogue meeting on 6 April, 2011.

¹⁵ The composition of the working group was set up by the Order no. 509 as of 25.11.2011.

discrimination. In order to reduce the tension relating to society's perception of the antidiscrimination law as a "pro-gay" law, an information campaign shall be organised to explain advantages of this law;

- Ministries in charge and State Chancellery to ensure the transparency in the process of implementation of action plans adopted in 2011, which concern protection of human rights, and of certain categories of population in particular, by participation of civil society representatives in the advisory boards for action plan monitoring/ implementation and by on time publication of annual progress reports ;
- Including in the sector policies' priorities provided in the Medium-term Budgetary Framework for the years 2013-2015, which is being developed, the component on protection of human rights.
- We maintain our earlier recommendation of amending the Criminal Code by excluding the superposition of Articles 309/1 and 328 (2) c) of the Criminal Code and elimination of prescription for torture, as well as efficient investigation of torture cases with the punishment under criminal charges of those guilty.

Area 2: INDEPENDENT AND EFFICIENT JUSTICE

General observations

Justice reform remains the top priority of Government and institutions involved in the processes concerned. Authorities' efforts have been focused on development, discussion and promotion of Justice Sector Reform Strategy, as well as of several drafts of regulatory and legislative acts in the sphere of justice and related areas. The undertaken efforts have led to formalized results, the Justice Sector Reform Strategy and Action plan for Strategy implementation being approved, but obtaining external funding for Strategy implementation remains a high priority.

Justice reforms did not have positive results, perceived by society and by representatives of judicial system. Trust in justice continued to drop, visions on the promoted reforms were neither consensual nor supported. Justice in Republic of Moldova is far from being perceived as independent and efficient. Some reforms hardly promoted have been cancelled by declaring the unconstitutionality of laws which created the legal framework of the reforms concerned. The participation of justice representatives was reduced during the elaboration of Justice Sector Reform Strategy. Thus, the Strategy became a document which is not supported and promoted within the system. This fact will create essential difficulties in implementation of tasks and planned actions. The allocated budget for justice reform was not approved separately and no sufficient funding was allocated for carrying out complex changes in any area.

Events of the monitored period

At the end of 2011, Justice Sector Reform Strategy for 2011-2016 was adopted; the next step being its enforcement¹⁶. The essential efforts in justice reform area have been focused on developing and improving regulatory and legislative framework, being completed and submitted to Parliament important draft laws: draft law on selection, promotion and performance assessment of judges; draft law on modification and completion of some legislative acts (Law on Judicial System, Law on the Status of Judge, Law on SCJ, Law on SCM etc.). Draft laws on reform of criminal and civil procedure, as well as legislative amendments concerning Prosecutor's reform have been developed and completed.

Statistical data shows a relatively high quality of civil and criminal cases examination by courts, even though judges¹⁷ are overloaded.

Other evolutions:

- The number of disciplinary proceedings brought in respect to judges¹⁸ has increased, unlike previous periods disciplinary proceedings are submitted for examination with proofs¹⁹;
- State budget allocations have (insignificantly) increased for the general area "Justice"²⁰;

¹⁶ Law No.231 of 25.11.2011. In February 2012, the Action Plan for the Implementation of Justice Sector Reform Strategy was adopted.

¹⁷In 2011, courts have examined totally 232605 cases, being cancelled/amended on criminal cases – 9,5% of 10966, and on civil cases - 4,8% of 61841.

¹⁸ In 2011, 65 disciplinary proceedings were bought in respect to 50 judges (in 2010, 52 disciplinary proceedings were brought in respect to 39 judges).

¹⁹ Informative note on activity of SCM Disciplinary Board in 2011 http://csm.md/files/CDisciplinar/Nota_inform_2011_CD.pdf .

²⁰ By the Budget Law, 384 mil lei were provided for 2012, in comparison to 368 mil lei in 2011.

- Certain measures undertaken in courts aimed to improve cases management and organize staff trainings, the portal of courts has functioned, although with some deficiencies;
- External assessments reveal mild improvements in ensuring independence of judicial system²¹;
- The Chairman of the Supreme Court of Justice was elected by SCM and appointed by the Parliament;
- By decisions of Constitutional Court, certain guarantees of judges' independence and separation of judicial power from the legislative²² one have been reconfirmed.

Involutions

Justice reform did not have a palpable impact, perceptions and trust of population in legal institutions has reduced twice in the last two years and according to the last surveys, only about 18 % of citizens trust justice. Implementation of actions set in the Government Activity Program in the chapter justice reform priorities is faulty and delays all the planned activities²⁴.

Although the number of disciplinary cases brought in respect to judges has increased, the yield of cases examination is reduced, the share of sanctioning decisions being small (about ¼ of brought procedures)²⁵. A considerable number of disciplinary proceedings is revoked without sound argumentation by those who initiate them. There are invoked cases of intimidation or pressure on judges by the brought disciplinary proceedings²⁶.

By the decisions of Constitutional Court, have been declared unconstitutional:

- Relieve of Chairman of Supreme Court of Justice²⁷;
- Amendments to legislation concerning the examination and enforcement of judgments on financial institutions (the so called "anti-rayder" law)²⁸;
- Liquidation of specialized courts²⁹.

These decisions have revealed deficiencies in the preparation and implementation of these reforms and have reduced their impetuosity and complexity.

Certain provisions of Justice Sector Reform Strategy are not supported by the representatives of judicial system; their proposals have not been taken into consideration during the adoption of Strategy and Action Plan³⁰.

Visions on Prosecutor's reform are different within the Ministry of Justice, SCM and in Office of Prosecutor's General. The Government Activity Program provides granting the status of magistrate to prosecutors, but for this, it is necessary to

²¹ Freedom House report „Nations in Transit-2011“, shows an increase of Moldova's score in this area, from 4.75 to 4.50.

²² Constitutional Court Decision (CCD) no.27 of 20.12.2011.

²³ CCD no.23 of 09.11.2011.

²⁴ Out of the 85 priority actions included in the Government Activity Program, only 12 are being carried out, but none of these is completed.

²⁵ Out of the total actions, the Disciplinary board has delivered sentences in 16 cases with the proposal to dismiss the judge, severe reprimand, reprimand or warning and in 47 cases, decisions on closing and suspending the disciplinary proceedings were adopted.

²⁶ See p.6.1-6.2 of Informative note on activity of SCM Disciplinary Board in 2011.

²⁷ CCD no.18 of 04.10.2011.

²⁸ CCD no.28 of 22.12.2011.

²⁹ CCD no.3 of 09.02.2012.

³⁰ Representatives of SCM have criticized the intention to cancel immunity of judges, lack of clear and comprehensive provisions on increase of remuneration for judges and courts' staff, delay in setting up judicial police and transmission of Department of judicial administration in the subordination of SCM, lack of appropriate conditions in SCM activity. See the report of SCM Chairman, <http://csm.md/files/RAPOARTE/RAPORT%20CSM%202012.pdf>.

amend the Constitution and other legislative and institutional reforms, which at the present are blocked.

Important problems in justice system remain:

- Overload of judges; the average monthly task is 67 cases;
- Poor financing and remuneration of judges, employees of courts and persons involved in the justice process;
- Improper court facilities and insufficient endowment of these;
- Deficiencies in procedural legislation and legislative instability;
- Reduced transparency of courts' activity (lack of rooms for public sittings, lack of press services, late and selective publication of judgments, failure to use programmes for audio recording of sentences);
- Political, economical and administrative interests of legislative and executive power representatives;
- Reduced responsibility of justice representatives;
- High perception of existing corruption in the system;
- Failure to assure the Prosecutor's Office independence etc.

Monitoring of specific actions

Out of 85 actions planned by the "Justice Reform" chapter of the Government Activity Program³¹, none was fully fulfilled. 12 general and continual actions are being implemented.

Monitoring table 2. Reformation of the judicial system to ensure independence and efficiency of law courts, prosecutor's office,³² 3rd quarter of 2011

Planned action	Progress / Regress /Comments
Amend the Constitution by including a separate article containing regulations on ombudspersons	No progress. No constitutional amendments are officially underway.
Modifying the law on ombudsmen and HRCM Regulation, structure and functions, and funding mechanism for this system	Slow progres (see the Area 1. Protection and Implementation of Human Rights)
Strengthen institutional capacity of judicial self-administration, with a particular focus on streamlined legal regulation and guaranteed independence, improved financial, administrative and human resources, institutional visibility and transparency. Based on an analysis of requirements, to continue the harmonization with EU standards and with best practices. Ensure a proper institutional capacity for implementation of these changes.	Slow progress. Progresses concern the development of some legislative acts drafts and carrying out of several activities financed and supported by cooperation and assistance programmes.
Clarify the situation as regards the Public Prosecution Service's role and functioning, in line with the Venice Commission Opinion of June 2008.	Slow progress. The Prosecutor's Office worked out and promotes its own vision on reform and its competences, but specialized opinions are divergent and political authorities did not express a clear attitude towards the situation, so that to adopt some legislative regulations.

³¹ Government Activity Program "European Integration: Freedom, Democracy and Welfare" (2011-2014) <http://gov.md/doc.php?l=ro&idc=445&id=3729>.

³² The table is drawn up under the Action Plan "Priorities of reform actions of the Republic of Moldova – Key measures until June 2011," <http://www.mfa.gov.md/img/docs/implementation-tool-matrix-en.pdf>.

<p>Consolidating the new system of training and further modernise the procedure of appointment of judges and prosecutors.</p> <p>Increase the training capacity of the National Institute of Justice (NIJ) to meet the required quota of 80% of newly appointed judges and prosecutors initially trained by NIJ, rather than remove this legal requirement.</p>	<p>Slow progress. Legislative framework in the area is not amended. Modifications are drafted, but these are not adopted.</p> <p>The activity of NIJ was not reformed and improved. The training/nomination quota of judges is not respected.</p>
<p>Ensure that the Superior Council of Magistrates (SCM) becomes a real institution for the selfmanagement of the judiciary by adopting the necessary legislative amendments (composition currently less than 50% judges elected by their peers) and ensuring the effective transfer of the administration of courts of justice from the Ministry of Justice to the SCM.</p>	<p>Slow progress</p>
<p>Ensure effective implementation of the law on legal aid.</p>	<p>Is being implemented</p>

Recommendations

Reformation of justice, ensuring justice independence and efficiency requires to focus efforts and to show general political will and administrative capacities in several areas:

- Apolitical and disinterested approach in reform process.
- Combating and preventing corruption in justice.
- Focusing on integral and on time implementation of actions provided in the Justice Sector Reform Strategy and Action Plan for Strategy Implementation.
- Allocating necessary resources for Strategy implementation and ensuring efficient funding use.
- Involving the judiciary more actively and deeply in the reform implementation process.
- Focusing efforts on simplifying and improving the judicial procedures and technologizing certain processes.
- Developing cooperation with European and international institutions which grant assistance for justice reform; rational use of external resources.

Area 3. GOVERNANCE REFORM AND ANTICORRUPTION FIGHT

General observations

Progresses of Central Public Administration (CPA) reform in 2011 are regarding the elaboration, adoption and enforcement of some regulatory and legislative acts, adopted in the period concerned or previously. Central authorities have organized planning activities and trainings of servants; level of training being quite high (about 95%). Progresses were observed in ensuring transparency in the decision making process and in using information technologies in CPA. As well complex projects were initiated in ensuring online transparency of institutions and public data. The main problems of CPA are the same: lack of some ample strategic documents, continuous politicization of public institutions and lack of progresses in ensuring the depoliticization of these, despite repeated public statements about the necessity of serious reforms in this field. The training quality and involvement level of CPA servants although are increasing by training and methodological activities, do not meet the actual rigors and modern standards and do not ensure necessary administrative capacities for complex reform and efficiency in administration. The perception about the high level of corruption in administration reduces the trust of people in central institutions; sociological surveys show a considerable drop of trust in central public institutions (Parliament, Government, and Presidency).

Progresses in Local Public Administration (LPA) related to the elaboration of National Decentralization Strategy draft and consulting activities in the field of decentralization, implementation of assistance and training programs for local servants. The LPA reform is procrastinated because clear strategic approaches were established with delays and actions on reform implementation were suspended at different phases because of political instability and local general elections. Political conflicts affect as well LPA representatives, who are elected based on political affiliation and distribution of functions from the central level to the local continuously generates local conflicts.

Progresses in the field of combating corruption are related to the enforcement of new strategic documents and promotion of new normative-legislative regulations, in line with international standards and recommendations in the area. Theoretical and prevention activities were promoted at different levels of public administration, combating corruption activities have been oriented toward ensuring quality and efficiency of the prosecuted cases. Deficiencies in anticorruption activities lead to major social concerns, and the imposed punishments for corruption offenses do not have a necessary preliminary result, a big number of convictions provide as punishment – relatively mild sanctions (fine or suspended sentence). The delay of reforms in certain institutions (CCECC, MIA, justice, Prosecutor's Office) feeds public opinion about the high level of corruption in legal institutions.

Events of the monitored period

In the CPA area, several important legislative documents were developed, among which draft law on civil servants pay system and draft law on specialty central public administration. At the end of 2011, several documents were approved: the list of public authorities that fall under the Law on public function and statue of civil servant and Law for approval of Single Classifier of Public Functions, as well

as Rules on the establishment of structural subdivisions of public authorities³³. According to the authorities' reports, the procedure of filling vacant public function based on merit became the prevailing condition in employing civil servants, making up 61 % in 2011, including 40% on competitive basis³⁴.

In LPA area, the main progress can be considered the development of National Decentralization Strategy and Strategy Implementation plan, submitted for Parliament approval at the end of January 2012. Also, the list of LPA competences was drafted. This document will serve as a basis for the fiscal and patrimonial decentralization. As well the International Guide for intercommunity cooperation will be adjusted as needed. Activities in the area of regional development are implemented, according to strategies and plans in the area.

Reports on monitoring anticorruption activities show intensification of actions in this area, the number of counteracted acts of corruption has raised³⁵, the number of discovered acts of corruption committed by high and middle ranking officials (including representatives of legal institutions³⁶) has increased. External reports grant Republic of Moldova the same scores in control and perception of corruption³⁷. Important legislative acts in the anticorruption area were adopted:

- Law on National Commission for Integrity³⁸ and for enforcement of Law on conflict of interests³⁹;
- Action Plan for the implementation of National Anticorruption Strategy;
- Amendments aimed to ensure the protection of persons who denounces acts of corruption⁴⁰;
- Improvement of legislation concerning "gifts and benefits" which can be received by a civil servants⁴¹;
- Improving Criminal Code and anticorruption legislation for a proper defining on notions "persons in charge, public person and person performing public dignity function, foreign public person and international servant" and specifying components of offenses, introduction of offense "Corrupting voters"⁴²,

The following preventive activities are implemented: examination of corruption, public consultations of draft decisions; trainings and public events, activities and policy documents monitoring.

Involutions:

- Trust of citizens in central public administration seriously dropped and reached alarming levels (13%-18%)⁴³;
- Filling of vacant public functions often occur with significant deviations from the provisions of normative acts⁴⁴;

³³ GD no.1001 of 26.12.2011.

³⁴ Monitoring and Evaluation Report on the Central Public Administration Reform in the Republic of Moldova, www.rapc.gov.md.

³⁵In 2011, statistics shows 421 cases. The figure has doubled in comparison to 2009..

³⁶ See the informative note on anticorruption activities carried out by ministries and central administrative authorities (2011), <http://cccec.md/strategy>.

³⁷According to CPI 2011, Republic of Moldova had a score of 2,9 points, ranking 112 among 183 countries (in comparison to 2010, Moldova had the same 2.9 points and ranked 108 among 178 countries). In Nations in Transit 2011 report, Republic of Moldova has the same score 6.0, observed in the last 5 years.

³⁸ Law no.180 of 19.12.2011.

³⁹ Law no. 181 of 19.12.2011.

⁴⁰ Law no.277 of 27.12.2011.

⁴¹ Law no.230 of 25.11.2011.

⁴² Law no.245 of 02.12.2011.

⁴³ According to the results of BPO survey conducted in November 2011, trust in Government made up 18,6%, in Parliament – 13,6%, in President – 15,2%.

⁴⁴ Evaluation report on personnel procedure implementation in the central public authorities, 2011, www.rapc.gov.md.

- Politicization of public functions created serious deficiencies in public affairs administration and consequently in this area no major changes have taken place;
- Corruption remains one of the problems which mostly concerns citizens. Satisfaction towards authorities' efforts in combating corruption has dropped⁴⁵;
- International ratings show a decrease in economic freedom because of the high level of corruption⁴⁶;
- Analysis of imposition of criminal punishments on corruption and related cases reveals the fact that the biggest part represents punishments with non-deprivation of liberty⁴⁷. This shows the low efficiency of anticorruption policies.
- CCECC Reform Strategy was not promoted.

Monitoring specific actions

Many provisions of the Government Activity Program included in the chapter "Responsible and Efficient Administration" were not implemented, and many legislative and normative actions are being elaborated and consulted. The implementation is delayed.

Monitoring table 3. Governance reform and anticorruption fight, 4rd48 quarter of 2011

Planned action	Progress / Regress /Comments
<p>Reform the functioning of the Moldovan Parliament by:</p> <ul style="list-style-type: none"> • Reforming the functioning of the Parliament, in line with Council of Europe, PACE proposals on Rules of procedure and parliamentary immunity; • Promoting a political culture as well as procedures fostering consensus building; • Set up a modern information system for Members of Parliament; • Extend and intensify the cooperation between the Parliament and civil society; 	<p>Slow progress</p> <p>Progresses are related to the drafting of some policy documents within the Secretariat of Parliament , but their impact is not palpable.</p> <p>Informational system is not set up.</p> <p>Cooperation with civil society is carried out ad-hoc, in areas and actual problems of interest.</p>
<p>Reform the public administration, including the progressive decentralization of decision-making by:</p> <ul style="list-style-type: none"> • Decentralising the decision-making process progressively; • Continuing the central public administration reform; • Developing a legal, normative and institutional framework, in line with the decentralisation and local self-government principles; • Implementing a decentralisation model with a clear financial resources base for local selfgoverning entities; • Devolving powers to local public authorities and build their 	<p>Unimportant progress</p> <p>Activities of decentralization are carried out at theoretical level, practical implementation is late.</p>

⁴⁵ Results of BPO survey – November 2011.

⁴⁶ Economic Freedom Index 2011.

⁴⁷ Informative note on anticorruption activities carried out by ministries and central administrative authorities (2011).

⁴⁸ The table is drawn up under the Action Plan "Priorities of reform actions of the Republic of Moldova – Key measures until June 2011," <http://www.mfa.gov.md/img/docs/implementation-tool-matrix-en.pdf>.

<p>administrative capacity;</p> <ul style="list-style-type: none"> • Strengthening the financial and patrimonial autonomy of local public authorities. 	
<p>Combat corruption, by:</p> <ul style="list-style-type: none"> • Feeding the findings of the anticorruption risk assessment process into the new National AntiCorruption Strategy; • supporting the analytical unit of the Centre for Combating Economic Crimes and Corruption of the Republic of Moldova (CCECC) and accompany its further development; • addressing key integrity issues such as conflict of interest and asset disclosure regimes; • ensuring full and effective implementation of GRECO's pending recommendations 	<p>Slow progress. The adopted strategy distinctly addresses anticorruption risk evaluation aspects. The new law on the National Integrity Commission addresses problems relating to declaration and control on conflicts of interests, but the law was not published and enforced so far. The mechanism of declaration and control of conflicts of interests does not function in fact. The fulfillment of GRECO recommendations is late.</p>

Recommendations

- CPA reform should be clearly planned, based on some policy documents.
- Decentralization strategy should be considered in first place and ensured by proper financial resources.
- Implementation of National Anticorruption Strategy should become a priority in all aspects: legal, regulatory, institutional, technical, financial, internal and external cooperation.
- CCECC reform should be speed up for ensuring the independence and efficiency of the main institution in the area.
- Punishments for corruption offenses to be strengthened, and their imposition to become more rigorous.
- Verifying mechanism of wealth, income and interest statements to be implemented in line with new regulations and to become increasingly efficient.

Area 4: TRANSNISTRIAN SETTLEMENT

Analysis of current situation

In the period concerned several events with a potential of major impact on Transnistrian settlement took place. The diplomatic efforts envisaged a large range of activities aimed to strengthen Moldova's position in the internationalised format of consultations on the invoked issue; perspective of approaches regarding regional and continental securities matters; dialogue with Transnistrian representatives with regard to confidence-building measures between the two banks of the Nistru. The efforts mentioned above brought the greatest result in the last six years – the decision to resume the official 5+2 negotiations.

The conduct of the first round of negotiations in the "5+2" format, after their suspension in February 2006, in a difficult regional and political context reflects an international support for approaches of Moldovan authorities in Transnistrian settlement. The resumption of negotiation process was preceded by diplomatic efforts supported and expressed in OSCE Parliamentary Assembly Resolution on the Republic of Moldova, which sustains the resumption of negotiations in the "5+2" format, with participation of mediators from Russian Federation, Ukraine, OSCE, EU and USA as observers for identification of a special legal status for Transnistrian region in the composition of the Republic of Moldova.

Another important event concerns Transnistria's political elite change as a result of presidential elections in the region. This change was the expression of the protest vote of region's inhabitants towards the current situation, modulated by "the freeze" of conflict from the Eastern districts of the Republic of Moldova, during two decades. Those two events provide new perspectives for a sustainable progress in conflict settlement.

A negative factor in the Transnistrian settlement is the political instability in the Republic of Moldova, as a result of governors' failure to elect the president for more than two years and a half. Accordingly, the parliamentary opposition which represents 40% of electors is questioning the legitimacy of governance from Chisinau. In contrast, although Moldovan authorities do not recognize the legality of elections from Transnistria, they will face more and more difficulties in contesting the legitimacy of new Transnistrian governance, with which accepts to negotiate in the international "5+2" format and which received a great support, hard to challenge, from Transnistrian voters. This fact is supported also by the benevolent attitude, expressed by the congratulations of ambassadors of states and international organizations represented in the "5+2" format negotiations, addressed to the new Transnistrian leader on the occasion of his election.

Accordingly, the new favorable situation, at first sight, has an extremely dangerous deficiency – the legitimacy of governance recognized at the international level is challenged by the opposition, while the unrecognized administration from Transnistrian region enjoys internal legitimacy and international sympathy. In such conditions, official Chisinau cannot pretend to have full credibility before Transnistrian citizens in settling a "frozen conflict", in which regional and international powers are involved and have major interest, once it is not able to settle for more than two years a simple problem – election of president, because of subjective rather than objective reasons.

Negotiations in the "5+2" format, followed by the OSCE Ministerial Council in Vilnius

The decision to resume negotiations was followed by the first round of negotiations conducted in Vilnius, during the period November 30 – December 1, 2011. Proceeding principles and organizational aspects for ensuring a functional basis for the whole process were discussed. The parties succeeded to coordinate only a part of the considered document. Discussions are going to be continued during the next round planned for February 2012, in Ireland, country which took over the Chairmanship of OSCE in 2012. During the OSCE Ministerial Council held on December 6-7, 2011, delegation of Republic of Moldova has highlighted the progresses observed in the last half of year, at the same time pointing out the necessity of:

- a final and viable settlement of Transnistrian conflict, based on the sovereignty and territorial integrity of the Republic of Moldova;
- developing during negotiations in the "5+2" format, a comprehensive agenda which will include the status of Transnistrian region;
- Consolidating confidence-boosting measures;
- Respecting human rights in Transnistrian region;
- Considering security aspects, expressing the concern on negative trend in the Security Zone;
- Initiating discussions on transformation of current peacekeeping operation into civilian mission with international mandate;
- Completing the withdrawal process of Russia's military forces from Moldova's territory. This will help to overcome the impasse in the dialogue on the conventional arms control regime in Europe.

In the end, Moldovan delegation had to express its disappointment regarding "the failure of negotiations on the ministerial declaration dedicated to the resumption of negotiations in the "5+2" format", that would contribute in having a constructive dialogue".

Russia's involvement in Transnistrian elite change

Moldovan authorities did not have any contribution to the change of governing elite in Transnistria. Russian Federation as one of the key actors of the negotiation process in "5+2" format had a decisive role in this respect. Preparations for presidential elections in Transnistria, planned for December 11, 2011, were marked by a strong involvement of influential circles from Kremlin, which recommended Transnistrian leader, Igor Smirnov, not to participate in elections. The refusal to follow recommendations of the representative of Russian President Administration has led to publication of some statistical data for highlighting the economic situation of region and effects of Smirnov governance during 21 years:

- Annually, the budget is adopted with deficits between 40-60%, which are covered from resources granted by Russian Federation;
- The deficit of trade balance is continuously increasing. In 2011 the deficit doubled, exceeding \$556,5 million;
- Transnistria's debt for gas is \$2,7 billion etc.

The publication of the mentioned statistical data was accompanied by a broad campaign, which aimed to convince electors that Smirnov and his entourage would be the main generators of corruption, that impede the economic development of the region. The fall into disgrace of Igor Smirnov was explained and by his intransigence in the negotiation process; the objective set by him was to achieve independence of Transnistria. As a favorite in Transnistria, Russia

identified the Chairman of Supreme Soviet, Anatolyi Kaminsky, who had the open support of Russia's ruling party – "Edinaya Rossia". Against the background of critics addressed to "Smirnov clan" for misappropriation of large sums of money from Russian financial support, Russia promised to grant Kaminsky a financial support worth about 200 million rubles (about \$70 million). Accordingly, due to the involvement of Russian authorities, Smirnov lost, and the new favorite – Kaminsky could not win the elections.

Effects of double protest of citizens from Transnistrian region

The presidential elections in Transnistrian region were won by Evgenyi Shevchuk, who in the second round defeated Russia's favorite – Anatolyi Kaminsky, accumulating about $\frac{3}{4}$ of votes. Shevchuk previously held the post of the President of Supreme Soviet and was the leader of the majority party "Obnovlenie", being substituted in both positions in 2009 by Anatolyi Kaminsky. He fell into Smirnov's disgrace in December 2006, when he became the main opponent of Igor Smirnov during the elections from December 2006 and an alternative figure for decision making circles from Moscow. After Smirnov's victory, Shevchuk was placed under pressures and was forced to quit both positions of President of Supreme Soviet and of "Obnovlenie" leader. During the election campaign he focused on social problems: attaining certain standards for a decent life; protecting interests of vulnerable persons; combating corruption, etc.

Thus, the double protest vote of Transnistrian electors against the misappropriations of "Smirnov clan", on one hand, and against Kaminsky, considered as the political representative of regional monopolist – "Sheriff" firm, on the other hand, was determinant in changing the ruling elite in Transnistria. In the end, the recent elections in Transnistria can have a significant impact on the settlement of conflict. For the near future, the expectations are as follows:

- Change of generations in Transnistrian politics has a serious potential for a complex and interested negotiation process. One of the main premises, in this respect, concerns the dismissal of the uncompromising and rigid "old guard";
- The role of Ukraine will increase significantly in the settlement process, as well as the weight of the Ukrainian factor in the internal policy of Transnistrian region. It is expected that the role of EU will increase as well, which is about to sign with Ukraine the Free Trade Agreement and to start negotiations with Republic of Moldova in this respect. The export of Transnistrian producers will have to be brought in line with requirements of these agreements;
- Moldovan authorities will have to revise substantially its practices in relation to Transnistrian region. Shevchuk's first decrees on trade liberalization with Republic of Moldova, facilitation of freight and people transit, etc.. will require new steps to maintain and develop measures of mutual confidence between the banks of Nistru;
- Security issues will have to be reconsidered under the civic pressure of Transnistria's inhabitants of Moldovan origin, who felt persecuted in the last 20 years.

Recommendations

Moldovan authorities will have to undertake actions taking into consideration that the Transnistrian settlement process was knowingly internationalized in order to receive support and guarantees of the involved states and international organizations. Therefore, recommendations from the Resolution of the 20th Annual

Session of OSCE Parliamentary Assembly, held during the period July 6-10, 2011, had to be implemented, as far as possible:

- conducting negotiations on conflict settlement in the "5+2" format, with participation of mediators from the Russian Federation, Ukraine, OSCE, EU and USA as observers;
- identifying special legal status for the Transnistrian region in the composition of Moldova, this representing the major aim of the Transnistrian conflict settlement process;
- both, Moldovan Government and Transnistrian administration to continue make efforts on consolidating confidence-boosting measures and security in the Republic of Moldova.
- initiating a political dialogue and direct human contacts;
- renewing and finalizing the process of withdrawal of Russia's troops and munitions from the territory of Moldova in accordance with commitments undertaken in the OSCE framework;
- transforming, by consultations, the current peacekeeping mechanism into a multinational civilian mission under the international (OSCE) mandate.

Section II. MONITORING THE REPUBLIC OF MOLDOVA'S ACTION PLAN ON FULFILMENT OF THE EU RECOMMENDATIONS FOR THE ESTABLISHMENT OF A DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN MOLDOVA AND THE EU

Area 1. GENERAL COORDINATION AND CONSOLIDATION OF ADMINISTRATIVE CAPACITIES

Analysis of current situation

The implementation process of provisions included in the Action Plan on fulfilment of European Union Recommendations for the establishment of a Deep and Comprehensive Free Trade Area (DCFTA) between Republic of Moldova and European Union (hereinafter Action Plan) has continued during the fourth quarter of 2011, although with some difficulties in comparison with previous periods. One of the main impediments continues to be laborious inter-ministerial cooperation and slow activity synchronization. An important result of the analyzed period was the official opening on December 5, 2011 of negotiations on DCFTA. Stefan Füle, the *European Commissioner for Enlargement and Neighborhood Policy*, has positively appreciated the efforts undertaken by the Government of the Republic of Moldova in implementing necessary reforms and in fulfilling compulsory conditions for continuing the process of gradual integration into the European Union's internal market, concurrently noting the necessity of continuing the process of reform implementation and removing existent deficiencies, especially those concerning the settlement of Transnistria related problems. In turn, the European Commissioner for Trade, Karel De Gucht, has noted that the opening of negotiations on the establishment of a Deep and Comprehensive Free Trade Area will lead to more intensive relationships between Republic of Moldova and EU.

In the context of negotiations on the Association Agreement between Republic of Moldova and European Union, the Ministry of Economy, in the capacity of coordination authority and responsible for monitoring the implementation of measures included in Action Plan, has assured the activity of Working Group III "Economic, Sector and Financial Cooperation", the group being composed of 4 subgroups: market access and customs management; measures and barriers to trade; financial services and competition; consultations with private sector and civil society. On October 19, 2011, during the 8-th round of negotiations of the Association Agreement between Republic of Moldova and European Union, the perspectives of opening negotiations on DCFTA have been discussed with mister Luc Pierre Devigne, Head of the Directorate-General for Trade of the European Commission.

During discussions, Moldova's fulfilment of EC key-recommendations has been reviewed. The parties had agreed to organize a TAIEX evaluation mission in the SPS area (Sanitary and Phytosanitary Measures) and in the same day, Moldova's request for organizing the mission was submitted to the European Commission.

A precondition for the establishment of a Deep and Comprehensive Free Trade Area between Republic of Moldova and EU was the Signing of the Free Trade Agreement with Turkey, which will facilitate trade between Moldova and Turkey. The signing of agreement should contribute to attracting Turkish investments and developing a bilateral cooperation. So far, 2 rounds of negotiations were held, the

third being planned for February 2012. As a result of the conducted negotiations, Republic of Moldova will grant Turkey a preferential regime for the import of industrial products without applying customs duties and for sensitive industrial products, transition periods or eventually tariff quotas will be granted. As we mentioned in previous "Euromonitor" issues, rise of professionalism, competence and motivation of civil servants involved in the implementation process of Action Plan's provisions remains a key priority, taking into consideration that organization and carrying out of necessary training programmes, depends on obtaining external funding from potential donors, interested in granting such assistance. The actions provided in the Area 1 of Action Plan and the gradual fulfilment of these, help Moldova to overcome the above mentioned obstacles.

Monitoring of specific actions

Government made the following major steps in the fourth quarter of 2011:

- For accelerating the implementation of EC key recommendations, by the GD nr. 962 of December 19, 2011, the *National Plan for the Harmonization of Legislation for 2012 was approved*, being established precise deadlines, authorities in charge, legal or regulatory acts which will be worked out or modified and bases for drafting national acts. The coordination process of Plan's fulfilment was put into the charge of *Centre for Legal Approximation under the Ministry of Justice*. Competent authorities will submit monthly reports on Plan implementation progress.
- On October 3, 2011, the Food Safety Strategy for 2011-2015 was approved. The Strategy was drafted in line with provisions of the GD nr. 1125 of December 14, 2010 "On the approval of Moldova's Action Plan on fulfilment of European Commission recommendations on the establishment of Deep and Comprehensive Free Trade Area between Republic of Moldova and EU". Concurrently, the Action Plan for implementing EC main recommendations was worked out and approved, as necessary preconditions for opening negotiations on creation of this area. It is important to note that European Commission experts have given a positive assessment to Republic of Moldova in the area of sanitary and phytosanitary measures.
- On December 22, 2011, a meeting of Sector Council for coordination of external assistance in energy, business and attracting investments, trade, quality infrastructure and consumer protection area was held. During the meeting, priority actions have been presented in above mentioned areas, suggested for funding in 2012. Vice prime-minister Valeriu Lazar, demanded Ministry of Economy to be involved or at least to be informed on any assistance project regarding DCFTA negotiation with the European Union, given that the Ministry of Economy coordinates the whole process of negotiations. In this context, Valeriu Lazar has stressed that the assistance projects should create institutional capacity in the beneficiary sectors, so that it will not be further substituted by the Ministry of Economy or Ministry of External Affairs and European Integration.
- Supporting management unit of Public-Private Partnership under the Public Property Agency is another priority presented to the community of donors for funding. Besides, drafting a precise methodology on PPP project development, the assistance areas concern revision of concession law, approved in 1995, creation of a governmental PPP network, etc. In the last two years, 73 infrastructure development and public services projects were initiated in Public Private Partnership, of which 12 are being developed under the contractual terms, 2 PPP contracts are being negotiated, 15 are prepared

for the process of private partner selection, 12 are being endorsed and 32 projects are proposed for initiation.

- Ministry of Economy has delivered to the community of donors a questionnaire for identifying the problems, progresses and impact of the granted technical assistance. As well, MEC will launch in the beginning of 2012 the assessment of technical assistance projects implemented in the Republic of Moldova in the competence areas.
- Training seminars for staff involved in DCFTA negotiations have been organized. Government has continued to participate actively in debates on strategic aspects of DCFTA during events organised by the development partners and nongovernmental organisations from Moldova.

Monitoring table 4. Progress in implementing actions in the area "General coordination and consolidation of the administrative capacity" planned for the 4th quarter of 2011

Action	Progress/Comments
<p>Using instruments provided by EU and other donors to conduct training seminars on DCFTA related issues.</p>	<p>Positive progress. A contract concerning the twinning project on phytosanitary and control of pesticide residues area was signed with Great Britain and Lithuania. Preparation activities for starting the project were launched at the end of 2011. Training on SPS international negotiation, eventually financed from TAIEX funds, was requested, for consolidating the capacity of negotiators team in this area and further facilitating the discussion concerning technical aspects specific for the area. Although slowly, training activities and increase of civil servants level of knowledge continues.</p> <p>On November 2-3, as part of the project "Promoting broad participation of society and to facilitate policy dialogue" financed by the EU and implemented by the Corporate and Public Management Consulting Group, was organized the first pilot training module for civil servants on efficient process of public consultations. The training was attended by the representatives of 4 competent ministries: Ministry of Health, Ministry of Labour, Social Protection and Family, Ministry of Economy and Ministry of Agriculture and Food Industry.</p> <p>During the period November 21 - December 2, the joint programme of the European Council and European Union "Supporting democracy in Moldova", has granted assistance (short term traineeships in the European Parliament) for strengthening institutional capacity of Secretariat of the Parliament of the Republic of Moldova. The Head of Public Law Direction and the Head of European Union Law Direction of Secretariat of the Parliament of the Republic of Moldova have attended a two-week traineeship in the Parliament of Spain and Parliament of Finland. The aim of training was to take directly experience and best practices in managing activity of Secretariat's civil servants in examining petitions submitted by citizens.</p> <p>At the beginning of December 2011 a training programme on increasing professional skills of members of Working Group for DCFTA was organized in collaboration with the partners from the Czech Republic.</p>
<p>Holding DCFTA-related training seminars for institutions involved, private sector and civil society.</p>	<p>Action extended for whole 2011. At the beginning of October, Corporate and Public Management Consulting Group had organized a study visit in Latvia as part of the project "Decentralization and Local Autonomy Development: European Models of Success for Moldova", implemented by Corporate and Public Management Consulting Group (Latvia) in partnership with Business Consulting Institute (Moldova) and PAUCI Foundation (Poland). The project is supported by the <i>East East: Partnership Beyond Borders Program</i> and UNDP Moldova, aiming to facilitate experience exchange between officials, local authority representatives, NGO-s and relevant experts from Moldova, Poland, Latvia and other European countries, involved in the process of decentralization reform, which will contribute to consolidation of local</p>

	<p>autonomy and will set a proper model to ensure administrative and financial decentralization in country.</p> <p>MEc representatives continue to participate actively in events organised by civil society or development partners. At the same time, MEc established a participatory framework for civil society representatives. However, some aspects related to cooperation with private sector leave much to be desired, either because of passiveness of some representatives of private sector or because authorities do not hurry up to discuss with companies affected by the future trade liberalisation in certain sensitive areas.</p> <p>During the period November 1-2, as part of the project "Promoting broad participation of society and to facilitate policy dialogue" financed by the EU and implemented by the Corporate and Public Management Consulting Group, a seminar on financial management of advocacy organization was held. The aim of the seminar was to work out a guide for advocacy NGO-s, focused on existent practices for generating funds in Moldova. NGO-s leaders have explored the necessary funds to be active in the advocacy process in the absence of permanent income. Participants have analyzed three different "models" – advocacy for economic interests, protection of social vulnerable groups and promotion of democratic values. Each group has worked out various strategies for Moldova and Latvia, which can be implemented by different organizations.</p> <p>On November 1, as part of the project "Promoting broad participation of society and to facilitate policy dialogue" financed by the EU and implemented by the Corporate and Public Management Consulting Group, a seminar on experience of Baltic states in agricultural cooperation area and public participation in the EU accession process was organized. Participants have discussed experiences on consolidation of relationships between members, communication with ministries and with Parliament, political independence, cooperation with different organizations on specific mutual problems and activity separation in case where exists interest differences. The experience of Baltic states was a positive source of knowledge and ideas and has encouraged discussions among leaders from agricultural sector of Moldova.</p> <p>Ministry of Economy has organised periodical meetings of those four working subgroups which are part of the DCFTA Working Group, and thus built the framework needed to discuss progress in fulfilling EC recommendations and to establish measures for preparing DCFTA negotiations. Thus during the period November 24-25, 2011, the meeting of Moldova-EU Sub-Committee on Trade and Investment was held. During the meeting, Ministry of Economy has presented a detailed report on trade exchanges of the Republic of Moldova and preparation process on opening DCFTA negotiations. European partners, participants of the meeting, have given a positive assessment to the progressive reforms implemented by the Republic of Moldova in the area of competition, quality infrastructure, financial services and customs administration. A special attention was paid to the issue concerning Government's approval of Food Safety Strategy, especially, against the background of positive assessment given to Moldova by the experts of European Commission in the area of phytosanitary and sanitary measures.</p> <p>Actions aimed to strengthen relations with Transnistria stagnated in the period concerned, given the political instability in Moldova, as well as the unfolding of presidential election campaign and elections that took place on the left bank of Nistru river.</p>
<p>Participating and Cooperating with EU highranking experts to identify and set up priorities for the next 2-3 years.</p>	<p>Is being developed. Ad-hoc meetings for representatives of ministries involved in the process of preparation of DCFTA negotiations are organized, with the participation of EUHLPAM Mission advisers. On October 26, 2011, the second issue of publication "Trends in economy of Moldova" was launched. Starting with this issue, data for Transnistrian region were also included. As well, with TAIEX support, the working out process of draft law on integration of foreigners and refugees was initiated.</p>

<p>Including DCFTA into the EU Institutional Skill</p> <p>Strengthening Programme (CIB) with the purpose to ensure a continuity of conciliation and support to reform activities</p>	<p>(Formally) accomplished. It is planned to obtain area related assistance for Ministry of Economy starting with 2012. During the Consultative meeting on Comprehensive <i>Institution Building Programme</i> in the Republic of Moldova, which was held on October 19, 2011, priorities and target beneficiary institutions were established for the CIB Programme (2012), as well as correlation with the ongoing and planned assistance of EU and other donors.</p> <p>On December 14 2011 the conference "<i>Strengthening of Twinning Networking in Moldova: How Do We Progress?</i>" took place and gathered about 100 participants - Twinning focal points of central public administration authorities, officials of the State Chancellery and the Delegation of the European Union to Moldova. Participants were briefed on various aspects related to the planning, implementation and utilization of EU assistance instruments - Twinning, TAIEX and SIGMA and as well as on key issues of the Comprehensive Institution Building Programme (CIB). During the Conference, participants have discussed practical aspects of identification and preparation of a Twinning project and lessons learned from the implementation of such projects in Moldova.</p>
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Assessment of progress

A progress has been observed in the first area of Action Plan during the IV quarter. An important step was the official opening of negotiations on DCFTA. Concurrently, there must be noted the approval of Food Safety Strategy for 2011-2015 and of Action Plan on the strategy implementation. Phytosanitary and veterinary services have been reintroduced in 8 crossing border stations. At the same time, a TAIEX training programme on SPS international negotiations was requested, for consolidating the capacity of negotiators team in this area and further facilitating discussion concerning technical aspects specific for the area. Another important achievement is the fact that starting with 2012, an assistance programme will be launched. The programme will finance confidence boosting measures between the two banks of Nistru River (worth 12 million Euro) through promoting joint projects in the social and infrastructure development, environment protection and civil society support area.

Recommendations

The opening of negotiations process on DCFTA is a promising beginning. Consequently, a successful negotiation process would be important in intensifying efforts for adoption of technical regulations and European standards. In this respect, it is extremely important to consolidate the institutional capacities in monitoring the internal market. Active participation of authorities from Transnistria and especially, exploitation of potential changes which recently occurred at political level in this area, combined with participation of economic sector and development of joint projects, would be an important step for the successful carrying out of the negotiation process on DCFTA and as well for the implementation of the future Association Agreement with EU.

Area 2. MARKET ACCESS TO GOODS / TRADE STATISTICS

Analysis of current situation

As it was expected, the accomplishment of goals concerning market access to goods and trade statistics is a hard challenge. This area started to stagnate in the most important aspects yet in the II quarter and the problems are unlikely to be solved in a short period of time only with resources used until today. Without a political consensus, which can be reached only through negotiations at the highest level, the persistent conflict between the two banks of Nistru river will not allow an efficient collaboration in the area of statistics. It is obvious that only collaboration between institutions responsible for the implementation of these actions is not sufficient.

Monitoring of specific actions

After a year from implementation, backlogs in the area "Market access to goods/trade statistics" are significant. No major progresses were achieved in this area, but institutions in charge cannot be blamed for this situation. In the IV quarter, during the elections in Transnistria, several initiatives were even stopped and many goals could not be achieved. Meanwhile, NBS is fulfilling its tasks within the bounds of possibility. Thus, in the IV quarter the following actions were carried out:

- The Ministry of Economy, Ministry of Finance, National Bureau of Statistics and the Reintegration Office continued "to consider ways to work out a statistics collection concept" for all Moldova. The situation cannot be called otherwise than a discussion, as long as Transnistrian authorities do not participate. Consequently, this concept does not include the vision of Transnistrian part, nor the firm acceptance to provide statistical data;
- NBS continues to report quarterly to Eurostat statistical data and data on trade exchanges of Transnistria-based businesses registered with the Customs Service of Moldova;
- Harmonization of national statistics to European Union model is monitored. In fact, national statistics already meet most of the European standards, as Moldova uses international classifications and standards in statistical system. The update of these is monitored, although this action requires additional financial resources, as equipment and software needs to be periodically renewed.

At the same time, creation of working group on cooperation in statistics area between the two banks of Nistru River is in delay. During the latest meetings, Transnistrian part did not discuss the possibility of cooperation in data collection area, being rather interested in taking various methodologies used by NBS. Given the current situation, this aspect is also a positive step for a further collaboration.

Monitoring table 5. Progress in implementing actions in the area "Market access for goods / trade statistics" planned for the 4th quarter of 2011.

Action	Progress/Comments
1. Working out and coordinating with the European Commission a general concept concerning the collection of statistics in all statistical fields (including foreign trade statistics) in all territory of Moldova.	Stagnation. Discussions without participation of Transnistrian authorities.
2. Considering possibilities to set up a working group for cooperation in the area	No progress. In the IV quarter no meetings were held and no actions for achieving this goal

of statistics (including foreign trade statistics) between the two banks of the Dniester.	were undertaken.
3. Harmonising the legislation in the area of statistics (including foreign trade statistics) with the <i>acquis communautaire</i> .	Is being developed. The update of international classifications is monitored.
4. In line with the bilateral memorandum of understanding with EUROSTAT, the National Bureau for Statistics will provide every quarter statistics on Moldova's exports and imports, detailed accordingly to eight digits of the Moldovan Merchandise Nomenclature, harmonised with the Joint Nomenclature of EU. The statistical files will not cover the export and import deals by Transnistria-based enterprises and organisations.	Is being developed. Data are provided quarterly to Eurostat.

Assessment of progress

The evolution in the area of trade statistics can be described as stagnant. Although, some actions are carried out quarterly, such as providing data to Eurostat and monitoring the update of international classifications, however, in the area of cooperation between the two banks of Nistru river and drafting a statistical data collection concept, no progress was observed.

Recommendations

Given the lack of progress in this area, all recommendations from previous "Euromonitor" issues are still up-to-date. In particular, the following aspects are important so far:

- Discussing the Transnistrian problem at the highest level to hasten cooperation between institutions from the two banks of Nistru river;
- Publishing foreign trade data on countries and products developed at level of 8/9 digits, accordingly to Eurostat, UN Comtrade and NBS website, so that to make them available to population;
- Publishing available data on foreign trade of Transnistrian region, identifying and considering all available data sources on foreign trade of Transnistrian region: existing data of Customs Service, differences of data on Moldovan exports developed on countries and imports reported by countries concerned, available data developed on companies.

Area 3. TARIFF AND NONTARIFF BARRIERS (TNTBs)

Analysis of current situation

On October 25, 2011, a video conference on TNTB's (Technical barriers to trade concerning quality infrastructure) was held. During the conference a detailed report on accomplished progresses in standardization, metrology and conformity assessment was presented and answers were given to a series of clarifying questions and comments from the European Commission. Before the video-conference, Ministry of Economy has presented a report on implementation of key recommendations in this area, in accordance with the matrix and questions submitted by EC.

Activities for demonopolization of internal market and removal of anti-competition practices in trade transactions have continued during the quarter concerned. Thus, to identify the best solutions for enhancement of trade regime and of attractive investment climate, the following documents have been worked out:

- Study on identification of tariff and nontariff measures applied in foreign trade of the Republic of Moldova⁴⁹ in the context of WTO commitments. Ministry of Economy has created a Working Interdepartmental Group which, with UNDP support, assesses the compliance of measures with WTO commitments;
- Action Plan on removal of nontariff barriers to trade⁵⁰, which establishes the necessary set of measures and modifications which will be carried out in legislative and regulatory framework to fulfil the commitments taken by Republic of Moldova for trade liberalization with EU.

Monitoring of specific actions

In the fourth quarter, the Government of Republic of Moldova has undertaken the following actions:

- By the GD no.824 of November 7, 2011, the Action Plan on removal of nontariff barriers to trade was approved. Among the actions that will be undertaken can be listed the creation of World Trade Organization notification and information centres, working out and publishing several guides on customs valuation proceeding, removal of discriminatory treatment during the customs clearance of goods of different origins and categories through abolition of Customs Service's orders that contravene to WTO norms. At the same time, the Action Plan provides modification of legislation for removing the environment pollution taxes, carrying out electronic control of goods in customs transit regime etc.
- Ministry of Economy assesses every quarter the progress in using the Autonomous Trade Preferences (ATP) by Moldovan producers and reports the findings to the private sector. Until 2015, Republic of Moldova has preferential access to EU market, this being the main destination of Moldovan goods. According to NBS data, in the first ten months of 2011, at least 49.5% of Moldovan exports went to this market. At the same time, 44.3% of Moldova's imports came from European Union. As already noted in the previous "Euromonitor" issues, the incapacity to fully meet all European sanitary and phytosanitary standards is so far a major obstacle to food exports of animal origin.

⁴⁹ www.mec.gov.md/files/.../Studiu%20privind%20NTB%20completat.

⁵⁰ Government Decision no. 824 of 07.11.2011.

Monitoring table 6. Progress in implementing actions in the area "Tariff and nontariff barriers" planned for the 4th quarter 2011.

Action	Progress/comments
<p>Assessing the current situation in terms of use of the Autonomous Trade Preferences (ATP) and informing society and private sector why the access of some products to EU market is limited.</p>	<p>Is being accomplished continuously. The Ministry of Economy assesses the use of ATP every quarter. This action will be implemented until expiration of the current ATP (2015).</p>
<p>Informing the private sector that ATPs were extended for a 3-year term (2013-2015).</p>	<p>Is being accomplished continuously. Materials are presented twice a month during meetings with members of Working Group IV in charge with preparation of DCFTA negotiations.</p> <p>Concurrently, the Chamber of Commerce are also involved via its subdivisions nationwide in distribution of information materials.</p>

Assessment of progress

For this area, in the fourth quarter of 2011, a reasonable progress was observed, important actions being implemented in time. An essential step was approval by the Government of the Action Plan on removal of tariff and nontariff barriers to trade which contravene to WTO norms. This will allow implementing the actions stipulated. One of the most important provided actions concerns the adoption of European standards in various related areas and abolition of a series of internal standards, which contravene to the international ones.

Recommendations

- It is necessary to assure the functionality of information centres on technical barriers to trade (TNTB's) and on sanitary and phytosanitary standards to allow the Government of Moldova and competent public authorities to answer to all reasonable requests from EU, in the capacity of WTO member and from other stakeholders, as well as to provide to local entrepreneurs information and relevant documentations on specific requirements: applicable standards, conformity assessments procedures, bilateral or multilateral commitments concerning these areas.
- A critical aspect remains the preparation of Moldovan exporters in the process of sanitary and phytosanitary standards implementation, which requires significant financial efforts. The early implementation of these standards will direct to a less painful adaptation to the market condition, after the signing of Free Trade Agreement with EU.

Area 4. TECHNICAL BARRIERS TO TRADE (TBT)

Monitoring of specific actions

The function to control goods sold on Moldova's market was assigned to several institutions, among the most important being the Standardization and Metrology Service and Central State Inspectorate in Standardization, Metrology and Consumer Protection (CSISMCP). However, the unfavourable legislation did not allow these intuitions to carry out an efficient control of market and in the last two years the necessity to reorganize the system has become absolutely obvious.

One of the plan's provisions stresses the necessity to work out a new law which will address market surveillance and would be harmonized with provisions of Regulation (EC) 765/2008 on setting out the *requirements for accreditation and market surveillance relating to the marketing of products*. *Although according to the Plan, actions for accomplishing this goal were planned for the first quarter of 2013, Government has already started the process of institutional reorganization*. Thus, on December 9, 2011, a government decision was approved, according to which in 2012 the tasks fulfilled by the CSISMCP will be taken by a new public authority – Agency for Consumer Protection. This institution will have a broader range of responsibilities and rights, which will allow a more efficient market control.

According to the Action Plan, during the fourth quarter, Centre of Accreditation in the Field of Products Conformity (CAFPC) had to finish the procedure of designating the testing laboratories as organizers of proficiency testing and inter-laboratory comparison at national level. The main goal of this action is to implement ISO/CEI 17043 standard in the designated laboratories. In this respect, CAFPC had to acquire the reference material. As we mentioned in previous "Euromonitor" issues, this objective was partially fulfilled yet in second quarter. More precisely, in June 2011, the list with 8 laboratories was approved. During discussions held in the previous quarter, CAFPC representatives have noted that the objective will be completely fulfilled by the end of 2012. Acquisitions of reference materials had to be financed by the World Bank. However, the tender organized by CAFPC did not generate sufficient offers and reference materials have not been acquired up to this date. According to the CAFPC representatives, during the first quarter of 2012 a second tender will be organized and as expected, the problem will be solved.

Although CAFPC is not responsible for the delayed fulfilment of objective, we should note that the precursory phase of material acquisition was launched yet in March 2011. The ministries involved in the designation of laboratories have shuffled the action and have approved the list only in the second quarter of 2011.

Monitoring table 7. Progress in implementing actions in the area "Technical barriers to trade" planned for the 4th quarter of 2011.

Action	Progress/Comments
Selecting testing laboratories as organisers of proficiency testing (PT) and inter-laboratory comparison (ILC) at national level, accordingly to recommendations by the National Accreditation Body, and training them in line with ISO/CEI 17043	Fulfilled with delay. Final phase for preparation of the designated laboratories will be carried out after CAFPC will repeatedly organize a tender.
Working out and approval of Law on market surveillance, harmonized with Regulation (EC) 765/2008 on setting out	Objective partly fulfilled , with nearly a year in advance. Legislation on market surveillance was modified. The process of

the requirements for accreditation and market surveillance relating to the marketing of products	institutional reorganization is ongoing.
Working out and adoption of the national document on transposition of the Directive nr. 85/374/CEE of July 25 1985 on producer responsibility, published in Official Journal of European Communities (OJEC) nr L210 of August 7 1985, amended and supplemented by the Directive nr 1.999/34/CE of the European Parliament and European Council, published in Official Journal of European Communities (OJEC) nr L141 of June 4 1999.	Partly fulfilled. Representatives of Ministry of Economy affirm that actions in transposition of directive have started. Directive 85/374/CEE of 25 July 1985 will be transposed into national legislation by the end of the first quarter of 2012.

Assessment of progress

Successes achieved in this area can be described as moderate. Government's initiative to adopt a new set of laws on market surveillance is salutary, even if according to the plan the objective must be fulfilled in 2013. We need to mention as well that reorganization of bodies from this area is essential for Moldova, regardless of DCFTA negotiations success.

Regarding the preparation of laboratories for ISO/CEI 17043 implementation, this objective had to be completed until the end of 2011. We consider that the incapacity to synchronize activities of Ministry of Agriculture and Food Industry and Ministry of Construction and Regional Development in 2010 and in the first half of 2011 is the main cause for that the objective will be fulfilled with a delay of at least one quarter.

Recommendations

Given evolutions in the precedent quarters, institutions in charge with implementing ISO/CEI in designated laboratories shall accelerate the implementation of Plan, at least at the second stage of the project (acquisition of reference materials).

Area 5. SANITARY AND PHYTOSANITARY MEASURES (SPS)

Analysis of current situation

Aspects concerning food safety have been a major obstacle to several member states that joined recently EU. Many of these had to ask a postponement of requirements in SPS area. Government should pay a special attention to the SPS aspects of plan, as European Commission might not show such allowance for Moldova (especially given the EU economic situation). However, we should take into account the fact that institutional reorganization, implementation of traceability and other control procedures related to food safety are very important aspects not only for establishing DFCTA, but also for local consumers from Moldova. At present, they are exposed to major hazards arising primarily from product quality risks.

Implementation of traceability principle is probably on the most expensive and complex objectives undertaken by Republic of Moldova in SPS area. Although the traceability principle is universal (tracking a food product from the raw material phase until it reaches the supermarket shelf), the mechanism itself varies from one industry to another. In particular, traceability of animal origin products implies many more control steps than traceability of wine products (the latter has been successfully implemented by several local companies from the sector). Many of Plan's actions established for 2012/2013 addresses precise actions concerning traceability, such as diseases which cannot be allowed to the slaughtered animals, methods of disease identification, period for carrying out medical control of animals, slaughtering conditions, etc. All these will be implemented later, but in 2012, Government has to establish a working plan and an institutional framework which will remove double control and would clearly define the tasks of each institution in charge of quality and food safety of products.

Traceability remains a long term project, while other food products control proceedings had to be immediately implemented. Returning veterinary services to the border has been discussed repeatedly during the last two years. Importers of animal origin products (especially poultry importers) have sustained serious damages starting with 2008, when veterinary services were removed. At present, importers of animal origin products have to ensure on their own account travelling of veterinary inspectors to the border. Often, perishable products are retained by the representatives of customs service for a period of 2 days (which hinders the sale or further processing of products). Reintroduction of veterinary services will not only reduce the expenses of importers, but will also allow the implementation of a fair and homogeneous control procedure of the products which cross the border points.

Monitoring of specific actions

The most important objective in SPS area which had to be fulfilled in the third quarter of 2011 was drafting Moldova's food safety concept. MAFI together with Sanitary-Veterinary Agency for Security of Products of Animal Origin have worked out this concept, which was included in the Food Safety Strategy for 2013-2015. Strategy provisions have been revised by European Commission's Directorate General for Health and Consumer (DG SANCO) and therefore, we can suppose that the document reflects the principles of European directives regulating this area. The final version of Strategy was approved by the Government at the beginning of the fourth quarter of 2011. One of Strategy's main objectives is working out a law which reflects the principles of food safety from Regulation (EC)

178/2002 . Authorities consider that the document will be drafted and approved by the end of this year.

Regarding the returning of veterinary services to border, we need to mention the fact that only in the fourth quarter of 2011, the Government has undertaken several precise actions. Thus on October 25, the Government Decision 787 was approved, which provides the restoration of services in 8 border crossing points. In November 2011, the involved institutions (Ministry of Finance, Customs Service and Ministry of Agriculture and Food Industry) have established a plan and have assigned tasks.

During the same period, MAFI has cooperated with an international expert, who gave advice to Government on connection of future veterinary services to information system. This mechanism will allow transmitting data, collected from the border crossing points, to the data base of Customs Service and Ministry of Finance. Within this mechanism, a special role has the state enterprise "Vamtehinform", which starting with March 2011, administers all information systems of Customs Service. At present, the working group is analyzing the potential locations and rooms for placing veterinary services. According to MAFI representatives, on January 25, 2012 a round table will be held. During this event representatives of competent institutions will establish final details concerning the returning of veterinary control services. Authorities estimate that services will be restored by the end of the second quarter of 2012.

Monitoring table 8. Progress in implementing actions in the area "Sanitary and phytosanitary measures" planned for the 4th quarter of 2011.

Action	Progress/Comments
Improving the mechanism of cooperation between the Customs Service and competent authorities, accordingly to principles of the international convention on the harmonisation of frontier controls of goods, signed in Geneva on October 21, 1982	Partly accomplished. According to MAFI, institutions in charge are working on the plan for the reimplementation of veterinary services.
Drafting and implementing a strategy (concept) for developing food safety systems in Moldova.	Fulfilled in advance. In the third quarter MAFI and Sanitary-Veterinary Agency for Security of Products of Animal Origin developed a Food Security Strategy for 2012-2015.
Drafting and approval of acts, improving the relevant legislation provided by the National Plan for the Harmonization of Legislation for 2011 and stipulation of these in national plans for harmonization for 2012, 2013, 2014 and 2015	Accomplished. In accordance with the provisions of Decision Nr. 1210 of December 27, 2010, the Government has established 21 regulatory measures in Agricultural and Phytosanitary area. On December 19, the Government approved "National Plan for the Harmonization of Legislation for 2012" (GD 962).
Modification of Government Decision nr.1073 of September 19 2008	Accomplished. The legislative act was amended by the Government Decision 787 of October 25, 2011.

Assessment of progress

Three out of four objectives have been successfully implemented by the public institutions in charge. The only objective which has not been fully accomplished – improving the mechanism of Customs Service activity – will be completed with

delay. However, given the synchronized efforts of MAFI and Customs Service, we consider that the delay will be insignificant.

Recommendations

During 2011, several cases have been identified in which public institutions have postponed the fulfilment of an objective for the last quarter. The result of such practices often leads to significant delays in completing Plan's objectives. In this respect we recommend the Government to undertake precise actions in accordance with the deadlines established in the plan, and not postpone at the last minute - as it currently does.

Area 6. TRADE FACILITATION AND CUSTOMS MANAGEMENT

Monitoring of specific actions

In the fourth quarter, implementation of EC recommendations in the area of trade facilitation and customs management has continued with a relatively slow pace. Unfortunately, there are missing precise information on successes achieved especially concerning the implementation of provisions and recommendations of the Survey on customs clearance taxes and their adjustment to WTO and EU provisions, conducted in previous quarter and which provides the gradual removal of customs clearance taxes and introduction of a fixed tax.

However, we should mention a series of achievements observed in the period concerned, among which is the public presentation, on November 16, 2011, of Joint Border Control Operation (JBCO) Akkerman results, carried out as part of EUBAM. The joint operation showed a substantial increase in the number of detections and seizures made during 2011. AKKERMANN is the 8th JBCO, coordinated by EUBAM together with its border-guard, customs, and law-enforcement partners in Moldova and Ukraine, and as well as with international organizations and law-enforcement authorities of EU Member States.

A tri-lateral experts meeting was held on November 11, 2011. The aim of the meeting was to discuss perspectives of integral resumption of the rail freight traffic through Transnistria. The event brought together experts, customs and railway representatives from Chisinau and Tiraspol. During the meeting, experts from Chisinau launched the proposal to create a working group for developing a technological scheme on customs control of freight trains, with EUBAM as technical adviser and mediator. Additionally, Tiraspol will develop a technical proposal on customs control on the export of goods by railways through Transnistria, which will be shared with EUBAM and Chisinau before the next meeting, planned for the beginning of 2012.

During the period concerned a series of training activities were organized. We will mention, in particular, the training entitled "Customs valuation of goods", held during the period November 7-10, 2011. The aim of the seminar was to consolidate capacity in ensuring state economic security, in particular, correct customs valuation, improving skills for identification and detection of prejudice attempts of the state budget, especially when it comes to cases of value reduction of goods in customs.

Participants had the opportunity to discuss various practical aspects concerning completion and control of customs declarations, techniques to identify and prevent value reduction cases. At the same time, an exchange of experiences and best practices was conducted with participation of a group of experts from Customs Department under the Ministry of Finance of the Republic of Lithuania, and of three employees specialized in customs valuation from the Customs Service of Republic of Moldova.

During the period concerned, the high-level seminar "Customs 2013" on customs cooperation at the external borders of EU, was held in Krakow, Poland. The event was organized under the aegis of Poland's EU Presidency. The main beneficiaries of seminar were heads of customs administrations of EU member states and Eastern Partnerships countries. Also the event was attended by officials from the European Commission, Head of EUBAM, Udo Burkholder and Secretary General of the World Customs Organization / WCO, Kunio Mikuriya. The seminar aimed to exchange information between EU and third countries, to discuss strategies for

customs modernization and to expand, in the future, the common EU transit system. Moldova's delegation has mentioned in particular that the mechanism of joint utilization of scanners and data verification, implemented at Moldovan-Romanian border, starting with 2010, can serve as basis for launching in the future, preliminary data exchange and joint control system. As a result of discussions, participants agreed upon the necessity of conducting an in-depth study on acceptable mechanism for information exchange under the legal framework, as well as taking into consideration the best practices in this field.

During the period October 2-8 2011, employees of Strategic Management and International Relations Direction of the Customs Service have participated in a study visit to Brussels. The visit was supported and organized by EUBAM and aimed to exchange experience in the area of strategic management and performance assessment with Belgian police and customs authority under the Federal Public Service Finance - Belgium. During the visit, was presented the development, coordination and assessment model of strategic plans both at national and at territorial subdivisions level. Employees of Belgian customs authority have presented a complete cycle of strategic management and performance monitoring system, carried out via an electronic system of recording performance indicators which enables to view the preliminary dynamics and analysis of the achieved results.

Also as part of EUBAM, on October 14, 2011, representatives of the Border Guard Service and Customs Service of the Republic of Moldova and Ukraine, Security Services of the Republic of Moldova and Ukraine, Ministries of Internal Affairs of the Republic of Moldova and Ukraine and the Centre for Combating Economic Crimes and Corruption of the Republic of Moldova have completed a five-day training session on controlled delivery. This is the first seminar of its kind in Moldova. The seminar aimed to disseminate best practices and knowledge on planning, organizing and carrying out controlled delivery and cooperation with other law enforcement institutions.

Monitoring table 9. Progress in implementing actions in the area "Trade facilitation and customs management" planned for the 4th quarter of 2011.

Action	Progress/comments
Drafting and adopting the draft amendment of Annex nr.2 of Law nr.1380-XIII of November 20 on customs tariff, which establishes the list of services and fees for customs procedures	The draft amendment was not approved in the period concerned.
Considering possibilities to revise, modify and implement a legal normative framework after consultations with foreign partners, which would allow a homogenous application of the customs legislation in all territory of the Republic of Moldova, including the collection of import rights for deals of Transnistria based businesses.	No progress was observed in this field.
Meeting EUBAM recommendations.	Partial progress. Recommendations on preliminary data exchange or customs procedure simplification are being discussed. At the same time a series of initiatives for experience exchange especially regarding preliminary data exchange and joint border controls have been implemented.

<p>Elaborating a mechanism to improve activity of mobile teams of the Customs Service by adjusting the normative framework to European standards, endowing staff with special equipment and continuously training it.</p>	<p>With EUBAM's support, at least 5 training events were organized for representatives of Customs Service, Border Guards Service and Railway Service from the two banks of Nistru river in areas regarding resumption of the freight traffic through Transnistria, modernization of Customs Service, strategic planning and preliminary data exchange etc.</p>
<p>Improving the mechanism of contraposition of data on circulation of goods at the Moldova-Ukrainian border, got via the preliminary data exchange system between Moldova and Ukraine.</p>	<p>Slow progress, without significant results. Representatives of both states are discussing ways to improve the mechanism, but no formal results are available so far.</p>
<p>Periodically assessing knowledge of customs employees, in accordance with the Conduct Code for customs employees approved by Government Decision No. 456 of 27 July 2009.</p>	<p>No knowledge assessment activities were observed during the period concerned. Previously, in August 2011, most of customs officers have been attested in accordance with the provisions of law on service in customs bodies and the regulation concerning the attestation of customs officers.</p>
<p>Periodical reporting of amendments to the fiscal and customs legislation of Moldova to the European Commission.</p>	<p>Is fulfilled periodically.</p>

Assessment of progress

In the fourth quarter of 2011, a progress was observed, especially if we take into consideration training activities and experience exchanges, supported by EUBAM. At the same time, we believe that in the implementation process of Action Plan, stipulated otherwise to be implemented until 2015, many accomplishments continue to have a declaratory character. A serious problem persists in the field of border control with Transnistria. Some activities, supported by EUBAM, are not sufficient for ensuring security and transparency of commodities and service traffic and needs a greater participation of the competent bodies from the two banks of Nistru river. An important and salutary fact is that precise steps have been made on drafting the Strategic Development Program of Customs Services (2011-2014), including best practices of the neighbouring and EU countries.

Recommendations

- The Government shall negotiate more actively with the Transnistrian side, as well as with key partners from the region, as regards possibilities to revise, modify and implement a legal and normative framework capable to allow a homogenous application of the customs legislation in all territory of Moldova, including the collection of import rights for transactions carried out by Transnistria-based businesses, especially taking into account eventual political changes which occurred once with the presidential elections in Transnistria, and the necessity of a more rapid progress in fields from area 6;
- Effective customs clearance fees shall be revised, particularly in accordance with key references of the survey on customs clearance taxes and their adjustment to WTO and EU regulations, finished in the period concerned;
- Implementation on time of the Strategic Development Program of the Customs Service for 2012-2014 and continuous monitoring of progress.

Area 7. RULES OF ORIGIN

Analysis of current situation

A modest progress was observed in reformation and modernization of customs. Corruption, bureaucracy and transparency problems remain to be acute issues. Another problem concerns the process of certification and control of rules of origin which is substantially undermined by the fact that Moldovan authorities do not have full control over the territory of Transnistria.

Monitoring of specific actions

In the fourth quarter of 2011, the competent authorities have undertaken the following actions:

- Enforcement of Government Decision no. 815 of 2005 (revised in 2006 and 2008) and of Government Decision no. 1001 of 2001 (revised in 2002-2008). Thus, Customs Service continues to undertake measures on motivating Transnistria based businesses to register at the State Registration Chamber of Moldova in return of assigning origin certificates that provide preferential access to EU market.
- After being endorsed by the competent institution, the draft law on modification and completion of Customs Code regarding uniform application of rules of origin across the whole territory and alignment to the European legislation was approved by the Government and forwarded to Parliament.
- As part of their routine activity, customs officers of the post-customs audit section and regulation of origin certification process section conducted inspections on control of origin certificates.
- During the period September 28-29, the second round of negotiations on the signing of Moldovan-Turkish Free Trade Agreement took place. This is one of preconditions for our country's accession to Deep and Comprehensive Free Trade Area Moldova - EU. The main results of negotiations include granting to Turkey a preferential regime for import of industrial products without applying the customs duties with certain periods of transition or tariff quotas for sensitive industrial products. On the other hand, Moldovan part prefers the removal of customs duties for imports in Turkey of the most important Moldovan agricultural products (wine, sugar, eggs etc).
- Customs Service, during the period November 14-18, in collaboration with a WCO expert on combating counterfeits and piracy and an officer of UK Border Agency has organized a national seminar for customs employees "Combating traffic of counterfeit and pirated goods". During the event, various international practices on detection of counterfeit goods were discussed and an experience exchanged between participants was conducted. Another seminar entitled "Customs valuation of goods", organized by the customs employees, was held on November 7-10. During the event, participants have discussed theoretical aspects and practices for correct custom valuation, improvement of skills for identification and detection of prejudice attempts of the state budget (by reducing the value of goods and consequently failure to pay related taxes). Similar seminars are organized periodically by the Customs Service. These events aim to train custom officers and to facilitate international practices exchange.

Monitoring table 10. Progress in implementing actions in the area "Rules of origin" planned for the 4th quarter of 2011.

Action	Progress/comments
Continuous enforcement of Government Decisions No 815 of August 2, 2005 and No 1001 of September 19, 2001 in all Moldova	Is being developed
Ceaseless fulfilment of relevant EC and EUBAM recommendations on certification and control of origin of goods.	Is being developed
Reinforcement of the customs audit function needed to check the origin of goods.	Hard to estimate

Assessment of progress

During the fourth quarter, a modest progress was observed in Area 7. Enjoying a strong support from EUBAM, the Customs Service continued to enforce Government Decisions No. 815 of August 2, 2005 and No. 1001 of September 19, 2001 in all Moldova, as planned. An important progress is the opening of the II-nd round of negotiations on the signing of Moldovan-Turkish Free Trade Agreement, which is one of preconditions for our country's accession to DCFTA. However, the problem of strengthening the customs audit function to control the origin of goods is still unsolved and the process of certification and control of rules of origin is moving slowly.

Recommendations

- Like the precedent quarter, recommendations concerning the implementation of electronic solutions in business processes of the Customs Service at a larger scale, simplification of customs procedures and consolidation of customs audit capacities by using new control equipment, better circulation of information and documents inside of the Customs Service, and exchange of information with other services are effective.
- Given the importance of the agricultural sector for the national economy, Moldovan negotiators should entirely focus their efforts to obtain maximum favourable conditions in the negotiation process on signing Moldovan-Turkish Free Trade Agreement.

Area 8. FINANCIAL SERVICES

Analysis of current situation

During the fourth quarter, financial system was affected by at least two trends. The first is occurrence of initial effects of difficult economic situation in the region and negative expectations, produced by the Euro zone debt crisis. This fact had lead to restriction of lending in foreign currency and increase of bad loans in bank's portfolios. The second trend includes the preparation of regulatory framework for the introduction of International Financial Reporting Standards (IFRS), which will be applied by all commercial banks starting from January 1, 2012.

Monitoring of specific actions

During the fourth quarter of 2011, the competent bodies have reported the following actions regarding financial-banking system:

- Most of decision drafts worked out by NBM addressed in particular to adjust the local legal framework to the IFRS requirements. Mostly, these aimed to optimize reporting by commercial banks to NBM, to rationalize information reporting and processing procedure, as well as to increase the detail level of requested information in certain areas. Thus, the main actions undertaken in this respect, were:
 - o Working out NBM DCA (Decision of the Council of Administration) Draft "On modification and completion of instructions regarding foreign currency operations reporting by the licensed banks ", which provides modification of blank form of Report on licensed bank's loans and foreign currency loans and drafting procedure of report, exclusion of presentation to NBM of Report on residents and non-residents' foreign currency accounts and non-residents' domestic currency accounts. Public consultation on draft was launched on October 7. The act was published in OG on December 23, 2011.
 - o Working out NBM DCA Draft "On approval of Instructions on completion by the licensed banks of Report on monetary statistics", which aims to improve veracity of existent monetary statistical data, and enhance data analysis. Public consultation on draft was launched on October 17, 2011. The act was published in OG on December 2, 2011.
 - o Working out NBM DCA Draft "On modification and completion of Regulation on Bank's open currency position" which will allow NBM to have update information on clients' accounts as well as information on external loans received by banks. The action aims to monitor the development of banking sector and related sectors and assess the situation in the context of financial stability. Public consultation on draft was launched on October 18, 2011. The act was published in OG on December 2, 2011.
 - o Working out NBM DCA Draft "On approval of Instructions on FINREP financial reports in line with IFRS, applicable to banks" provides a new set of reports on banks financial performance, which will be periodically submitted to NBM. Public consultation on draft was launched on November 10, 2011. The act was published in OG on December 23, 2011.
 - o Working out NBM DCA Draft "On approval of Instructions on drafting and submitting prudential reports by the banks" which regulates new type of reports additional to those included in FINREP system. Public

consultation on draft was launched on November 2, 2011. The act was published in OG on December 9, 2011.

- o Working out NBM DCA Draft "On modification of Instructions on submitting electronic reports by the banks to National Bank of Moldova". According to this, starting with 2012, NBM will operate the new NBM Information Reporting System (NBMIRS) which in the first phase will ensure the receipt of financial reports (FINREP), according to IFRS. Public consultation on draft was launched on November 11, 2011. The act was published in OG on December 30, 2011.
- o The periodical training of employees of the National Bank of Moldova with the participation of foreign experts to implement the International Financial Reporting Standards (IFRSs) and Basel III regulations, bank supervision and risk management principles. At the same time, seminars on requirements and prospects to implement the IFRSs took place.
- Another initiative of the National Bank of Moldova aimed to modify and complete the Regulation on Automated Interbank Payments System and the Regulation on Automated Interbank Payment system oversight. This addresses the provision of necessary regulatory framework for integration of National Securities Depository in the Automated Interbank Payment System, according to the provision of Strategy for the Development of the Non-Banking Financial Sector 2009-2011.
- To strengthen the political and institutional independence of NBM, as well as to rationalize the activity of institution as a whole, a draft law was proposed on modification and completion of some legislative acts. Amendments aim to adjust the legal framework of NBM activity to provisions of the most important European regulations and to the best international practices and standards. In particular, the draft provides to increase NBM responsibility to Parliament and to assure institution's independence to central public authorities, in line with the European Central Bank model.

Monitoring table 11. Progress in implementing actions in the area "Financial services" planned for the 4th quarter of 2011.

Action	Progress/comments
Training employees of the National Bank of Moldova with the participation of foreign experts.	Is being developed
Organising seminars, roundtables for bank community and publishing related guidelines for population	Is being developed
Implementing the development strategy of non-banking financial sector for 2009-2011.	Is being developed
Integrating the National Securities Depository in the Automated Interbank Payment System	Partly fulfilled. NBM Decision of the Council of Administration was worked out and posted on Central bank site on November 29. The act was not published in OG.

Assessment of progress

The progress in this area was fairly good. Most of Action Plan provisions were fulfilled. Thus, besides, organizing seminars and round tables, NBM has prepared regulatory framework for transition to International Financial Reporting

Standards. The entire activity of institution in this quarter was focused on adjusting regulations and instructions, which will regulate reporting of commercial banks to NBM. However, the provision of Strategy for the Development of the Non-Banking Financial Sector 2009-2011 to integrate the National Securities Depository in the Automated Interbank Payment System was only partially fulfilled, the DCA draft being only worked out and discussed. The document was not published in the Official Gazette by the end of 2011.

Recommendations

- The process of strengthening NBM independence to central public bodies and increase of responsibility to Parliament is a necessary and salutary action. In this context, it is absolutely essential that the Government does not have any leverage of influence on NBM decision making process, for ensuring credibility of monetary policy and meeting efficiently inflationist expectations.
- NBM must mobilise efforts and internal resources to pay more attention to researching activities, especially in terms of implementation of the Basel II and Basel III regulations, analysis of driving mechanisms for monetary policy, stress-test analyses, etc. At the same time, in line with the best international practices, NBM should periodically organize consulting meetings with representatives of analytical community. This would be an important step in ensuring NBM transparency, quality of decision making process, and efficiency of monetary policy. Given the euro area sovereign debt crisis and the increased uncertainty in the region, the necessity of extending NBM consulting process is crucial.

Area 9. INTELLECTUAL PROPERTY RIGHTS

Analysis of current situation

Evolutions in the intellectual property rights area have kept the pace with the Action Plan. Most of the planned actions were fulfilled. However, it is necessary to stress the impact of some actions. Thus, for example, rationalization of customs bodies' activity on enforcement of measures concerning protection of intellectual right to the border is a key aspect given the reputation of the Customs Service. However, fulfilment of this objective only through conducting trainings and seminars is a difficult task, given the fact that these events are attended only by a small part of customs employees, and some problematic aspects cannot be removed only through seminars. This objective requires a different institutional approach and additional financial resources.

Monitoring of specific actions

Actions launched early have continued in the IV quarter of 2011:

- During the IV quarter, necessary data and information have been collected for the annual report. At present, AGEPI is processing information which will be used for drafting AGEPI's Annual Report and specific reports, including the report submitted to European Commission and US Embassy. Currently, the possibility of posting information on observing intellectual property rights on AGEPI web page is discussed;
- As part of the Twinning Project "Support to implementation and enforcement of intellectual property in the Republic of Moldova", several missions of European experts and seminars have taken place. The following events were organized: "Training seminar on brand protection issues", "Training seminar on designs", "Training seminar for developing public awareness campaign on observing intellectual property rights", "Training seminar on protection of new varieties of plants", "Seminar on preparing trainers";
- Measures aimed to strengthen capacities of the Customs Service to protect intellectual property rights have continued. Employees of Customs Service have attended a working meeting, organized by AGEPI, entitled "Negotiation of difficult aspects in the area of copyright and related rights" and a training seminar "Ways to combat the counterfeit phenomenon";
- A TAIEX mission (Technical Assistance and Information Exchange unit of Directorate-General Enlargement of the European Commission) has taken place. The experts in approximation of national legislation in the area of data protection and testing of new medical and chemical products with the EU Directives and Regulations and in the area of intellectual property rights have discussed with the members of the working group the following issues: (i) Moldovan legislation in the area of authorization of pharmaceutical, agrochemical and phytosanitary products, policy proposals in the area of data protection and data protection regulations impact on access to medicines from the perspective of providing innovative medicines, of entrance on the market of generic versions of medicines and of price setting; and (ii) draft law on modification and completion of some legislative regulations, worked out by the interdepartmental Working Group and presentation of recommendations on improving the draft law, given Moldova's commitments to comply with provisions of TRIP's agreement.

Monitoring table 12. Progress in implementing actions in the area "Intellectual property right" planned for the 4th quarter of 2011.

Action	Progress/Comments
1. Monitoring and implementation of legislation in the IPR area (annually)	Is being developed. The information for drafting report was collected.
2. Building and endowing an information service as part of the State Agency for Intellectual Property (AGEPI) to ensure information exchanges between authorities in charge with protection of intellectual property rights and to work out reports, analytical and statistical researches in the area.	Done
3. Rationalization of customs bodies activity on enforcement of measures concerning protection of intellectual rights to border through conducting trainings and seminars.	Done.
4. Assessing Moldova's legislative framework on protection and secret of data during record, testing or homologation of pharmaceutical, agro-chemical and phytosanitary products containing new chemical components, and identifying the laws to be modified.	Is being developed.

Assessment of progress

Actions planned in the fourth quarter have been mostly fulfilled. Further objectives need to focus on efficiency of the implemented actions, especially those regarding the Customs Service.

Recommendations

Despite the great progress in the area, following actions are further important:

- Harmonising the legislation on invention brevets, trademarks and the customs legislation;
- Expediting the legislative process. Although a draft law has been approved on modification and completion of some legislative regulations on data protection during registration, testing and homologation of pharmaceutical, agrochemical and phytosanitary products containing new chemicals, its approval in Parliament might last; thus the process needs to be expedited;
- Strengthening the capacities of the Customs Service by carrying out additional actions to Twinning Project trainings.

Area 10. PUBLIC PROCUREMENTS

Analysis of current situation

The current situation did not essentially change compared with previous "Euromonitor" issues. The Action Plan on Development of Public Procurements (APDPP) for 2010-2013 was worked out by the Agency for Public Procurements and delivered to the Ministry of Finance for examination yet in May. A timetable for adjustment of national legislation on public procurements to the acquis communautaire is being drafted since the 1st quarter.

Monitoring of specific actions

No specific actions were planned and implemented in the 4th quarter.

Recommendations

We maintain our previous recommendation on rescheduling of actions aimed to evaluate the compatibility of the entire normative and legislative framework with community regulations from the 4th quarter of 2013 to an earlier period, so that to make sure that the normative regulations adopted at level of the Ministry of Finance and Agency for Public Procurements are congruent with the national legislation and meet European directives.

Area 11. COMPETITION

Analysis of current situation

One of the weak aspects of the national business climate is the competition legislation, or rather its lack. Although the necessity of working out a normative framework that would regulate this area, which is essential for any local or foreign investor, have been continuously discussed during the last five years, the undertaken actions were very slow, and often had a formal character. The European Commission recommendations have focused again on this aspect. Its importance results from the deadline of actions in the competition area. The adoption of legislation was planned for the first year of Action Plan implementation, followed by a series of actions supporting its enforcement. But, apparently, this area will be always "suspended". Despite the talks about gaps of current legislation and necessity of finding some solutions, things are moving very slowly in each stage of the process.

Monitoring specific actions

Thus, the competition area is in stagnation. After, with great delays, the draft laws on competition and state aid was approved by the Government, these were forwarded to Parliament and seem to be stuck there. At present, the documents are discussed in parliamentary commissions, generating and there hot talks. This situation is obvious, given the existent imperfections of the draft laws.

Thus during the IV quarter, the following "evolutions" were observed:

- The draft law on competition and state aid was delivered to Parliament. Given the fact that during the delivery, the documents were far from being perfect, these have generated discussions in Parliament and in Parliamentary Committee on Economy, Budget and Finance. Although , either in the Committee, things do not seem to be rushed;
- As part of the Twinning Project „Support to implementation of the competition and state aid policy“, international experts continue the activity on working out secondary legislation for the draft law on competition, which, as it was mentioned, represents a high degree of uncertainty and creates discontents;
- The draft law concerning the modification of law on advertising was not approved by the Parliament, although it was delivered for approval.

Monitoring table 13. Progress in implementing actions in the area "Competition" planned for the 4th quarter of 2011.

Action	Progress/Comments
1. Drafting secondary normative policies on competition in line with recommendations from the December 2009 Report "Competition Law and Policy – Law Approximation to EU standards in the Republic of Moldova".	Secondary normative policies for the law on state aid and the law on competition are being drafted.
2. Removing regulations on advertising for consumers from competences of the National Agency for Protection of Competition	No progress. The draft law for modification of law on advertising was delivered for examination to the Parliament.
3. Adoption of the new law on competition	No progress. The draft law is debated in parliamentary commissions.

4. Redefining the role and functions of the National Agency for Protection of Competition after the approval of the new law on competition.	No progress. The action will be fulfilled after the relevant law adoption.
5. Strengthening the capacity of the National Agency for Protection of Competition and improving its functioning within the Twinning Project „Support to implementation of competition and state aid policies“.	Is being developed. Support provided by foreign experts to work out the legislation on competition.
6. Implementation of the new law on competition.	No progress. The law on competition was not adopted yet.
7. Professional training of staff of the National Agency for Protection of Competition, judges and regulatory authorities.	Did not take place. Planned for 2012.

Assessment of progress

A stagnation of actions in the competition area is observed in the IV quarter. The draft laws, being imperfect, were delivered to Parliament where also encounter a great suspension.

Recommendations

Further, on a short and medium term, all recommendations are effective from the previous “Euromonitor” issues, the most important being:

- An in-depth analysis of European legislation and the takeover of the best practices to decide on aspects regulated by secondary regulations to the law on state aid and the law on competition. This analysis should remove existing uncertainty and should be included express into the law as annexes;
- Consideration of opportunities to include into state aid legislation all sectors, especially agriculture, which is still an important but vulnerable sector of Moldovan economy, either by a different approach by the law on state aid or under a distinct law;
- Strengthening of the ANPC capacity to implement the laws on competition when they will be adopted. Postponement of actions aimed to strengthen the ANPC capacity, as well as the training of other involved players (judges, regulatory authorities) could extend more the faulty process in the competition area.

Information about implementing organisations

The **Association for Participatory Democracy ADEPT** is a nongovernment, not-for-profit, independent, and non-partisan organisation, which is acting in the Republic of Moldova. ADEPT was registered in January 2000 and 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 nongovernment 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.