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Introduction

Year 2019 and the beginning of 2020 presented the most challenging time for the process of monitoring public policies by civil society organizations in Moldova. Three totally different governments followed one by one, sharing different priorities, values and work principles. An oligarchic governance by the Democrat Party of Moldova that presented a classical model of state capture phenomenon, compromised the European path of the country and affected public trust in democracy and rule of law, was substituted by the government set by an explosive Parliamentary majority formed of two pro-European political parties (ACUM – an alliance between the Party of Action and Solidarity and Dignity and Trues Platform Party) and the pro-Russian Socialist Party informally headed by the President of the country.

The Parliamentary majority has been created for the only purpose - to dismount the oligarchic system that captured power in the country and to return to a more representative and proper for Moldova proportional Parliamentary electoral system. This collaboration made possible several important steps, beginning with the Parliament's statement of state capture in the country, initiating a new phase of reformation of justice system, proceeding to some formal contests for high ranked public positions and suspending some policies and programs initiated by their predecessors – initiatives that worked for the only benefit of a narrow group of interests.

Unfortunately, this Government has been quickly dismissed by the Parliament, the Parliamentary majority formed by ACUM and SPRM falling apart due to lack of democracy within political parties, weak persistence and determination in setting independent bodies, low negotiating capacities - a base of any political activity, susceptibility to blackmail of some politicians and, probably, fear to be trapped by an eventually uncontrolled/independent justice system. As the result, the more likely hidden at the beginning negotiations between the pro-Russian socialists and declared pro-European democrats finally *came on the political surface* and a new political majority between these two exponents has been created in the Parliament.

The new majority quickly formed a common Government. The vote followed *with the eyes down by socialists in a clear understanding of total failure to keep the electoral promises* to overturn the state capture phenomenon in Moldova. A similar decision in different conditions (with no COVID 19 pandemics) would, most probably, cause mass-protests of disappointed electorate.

Identifying persons from the close surrounding of the run-away oligarch Plahotniuc in high public positions, civil society and mass-media more and more frequently express concern that the phenomenon of state capture in Moldova may only change its form, leaving genuine reforms outside the interests of the governors.

This report includes a compilation of summaries on monitoring public policies conducted by the members of EaP CSF, Moldovan National Platform, Working Group 1 made within various projects since the last Annual Assembly of the Eastern Partnership Civil Society Forum.

The main findings, conclusions and recommendations are presented in brief summaries on monitoring such domains as EU association, anti-corruption, justice sector, economy, media freedom, human rights, democracy and electoral standards. The report closes with a compilation of public appeals and declarations made by the members of the National Platform.

1. EU Association Agreement

1.1 *Institute for European Policies and Reforms, Expert-Grup: Shadow Report: EU - Moldova Association Agreement. Five years of implementation*

After five years of implementation of the Association Agreement, today the sectoral cooperation between the European Union and the Republic of Moldova is further strengthened, in particular in the fields of research, innovation and education. The benefits were also enhanced by the visa-free regime with the EU, launched on April 28, 2014. Cooperation in the field of foreign policy and security has been deepened. However, the functioning of democratic institutions, the strengthening of the rule of law and the independence of justice have not undergone clear changes, which has severely affected the quality of the EU-Moldova dialogue, implicitly the full use of European support.

Despite these constraints, due to the Deep and Comprehensive Free Trade Area (DCFTA), the Republic of Moldova has come significantly closer economically to the European Union. The EU has become the country's main economic partner. Today, about 70% of Moldovan exports are directed to the European Union market, and imports represent almost 50%. The net impact of exports to the EU is estimated at over 367 million euros, contributing to the creation of over 15,000 jobs and helping increase the budget revenues by 5% and by 320 million euros in investments in the private sector.

However, the potential offered by the Association Agreement and by the Deep and Comprehensive Free Trade Area is yet to be harnessed. The key to progress in this regard remains the existence of a clear and consistent political will in implementing all the provisions of the Association Agreement. And this means that the results of the transformations must contribute to the sustainable development of the country, bring more visible benefits to the citizens and help the continuous integration of the Republic of Moldova with the European Union.

TITLE II: POLITICAL DIALOGUE AND REFORMS

At the beginning of the implementation period, the relations with the EU were characterized by a high level of trust, capitalising on the so-called "success story" of the Republic of Moldova. However, with the public exposure of banking fraud at the end of 2014, which revealed internal systemic problems and generated several chain crises, the EU-Moldova relations entered a precautionary and uncertainty phase. For a short period, during 2016, the political dialogue seemed to normalize, being dictated by a pragmatic approach of the European Union, based on strict conditionalities. However, starting with 2017, due to the internal involutions and lack of will necessary to promote systemic reforms aimed at strengthening the democratic institutions and the rule of law, the dialogue has slowed down. In 2018 it was even frozen due to the democratic backsliding in the Republic of Moldova. Since June 2019, the EU-Moldova relations have been revived. This happened with the emergence of a new parliamentary majority in Chisinau, following the legislative elections of February 2019 and, respectively, the investment of a pro-reform government with a clear agenda of restoring democratic institutions and promoting the justice reform.

In the field of **human rights**, there have been some developments that have focused on the policy and institutional frameworks. Following the second cycle of universal periodic evaluation, although with some delays, a new National Plan in the field of Human Rights for 2018-2022 was nevertheless promoted and the National Council for Human Rights was created. The role of the People's Advocate was strengthened, in 2019 being accredited with the "A" Status in accordance with the Paris Principles. The Equality Council has managed to become an independent institution, oriented towards promoting non-discrimination and equality. The rights of national minorities have been strengthened through policy documents. The role of the Governmental Agent in monitoring and enforcing ECtHR decisions has been improved. The Council for the Prevention of Torture was created, and its activity strengthened as a national mechanism for the prevention of torture. However, the relatively large number of convictions of the Republic of Moldova by the ECtHR, the emblematic cases of torture and the illegal expulsions of foreign citizens highlight the need for additional efforts at national level aimed at strengthening the role, capacities and instruments of the institutions that are part of the system of protection of human rights.

The prevention and fight against high-level corruption has been mostly characterized by selective justice practices or by lack of conclusiveness, and this has happened despite the improvement of the normative and institutional framework, with the creation of the Anti-corruption Prosecutor's Office and by reforming the integrity system. Several efforts aimed at police reform were supported, including by the development partners.

But the depoliticization of law enforcement agencies and their proximity to citizens remains a backlog, and therefore an important priority.

Probably, the most positive developments are noted in **the EU-Moldova cooperation in the field of foreign and security policy**. Here we mention, in particular, the alignment of the Chisinau authorities to most of the EU declarations and the CFSP Decisions (approx. 71%), the continuous participation in the EU Crisis Management Missions (in particular, EUTM Mali), the conclusion of the EU-Moldova Agreement on security procedures for the exchange of classified information, creation of conditions to strengthen the dialogue in the field of security, by selecting the Republic of Moldova as a pilot country to be offered EU support in the evaluation and prevention of hybrid threats. The jurisdiction of the International Criminal Court has been extended to the Republic of Moldova. The role of the EUBAM Mission has been strengthened in the field of assistance in managing the Moldovan-Ukrainian border, in particular on the Transnistrian segment, and its mandate has been extended.

In the area of **regional stability**, moderate developments are noted, in particular, in terms of promoting the confidence measures between Chisinau and Tiraspol. The contacts at political and operational level within the sectoral working groups have intensified. Negotiations in the "5 + 2" format continued, albeit with reduced frequency. However, there is no progress in the negotiations on the political settlement of the conflict: the third negotiation package has not been opened, and the Tiraspol authorities have hampered the resolution process by increasing the number of military exercises with the participation of GOTR troops of the Russian Federation, carried out including in the security area. At the international level, the Republic of Moldova, supported by the European Union, promoted the UN Resolution on the complete and unconditional withdrawal of foreign military forces from the territory of the country. However, at national level, it was not possible to develop and promote a single vision on the settlement of the Transnistrian conflict and the reintegration of the country.

TITLE III: FREEDOM, SECURITY AND JUSTICE

Many of the actions directly or indirectly related to the field of visa liberalization have provided good results at the provisional entry into force of the Association Agreement. Thus, the areas related to **border management, migration and asylum** registered, on the date of obtaining the visa-free regime - April 28, 2014 - a consolidated institutional and policy framework. Among the most important achievements of this sector are: the creation of the Border Police; opening of several common border crossing points with Ukraine, including on the Transnistrian segment; joint patrol of the Moldovan-Romanian border; implementation of integrated border management Strategies in the field of migration and asylum; empowering the Migration and Asylum Bureau with infrastructure and personnel to document foreign citizens, ensure their integration, including temporary placement in the case of asylum and international protection seekers.

Five years after the entry into force of **the visa-free regime**, over 2.1 million citizens of the Republic of Moldova (over 60% of the population) travelled without a visa to the Schengen area, with the rates of refusal and illegal stay being reduced (0.3% and 0.5%, respectively, of the total number of visitors). The readmission mechanism works efficiently and is encouraged to continue. Through joint efforts with the countries of destination, the duration of examination of asylum applications has been reduced, and this has diminished the monetary interest mainly related to allowances, which means reducing the number of applications in the future. At the time of the provisional entry into force of the Association Agreement, the regulatory, planning and institutional framework in the field of **personal data protection** already existed, including the Law on the protection of personal data and the Centre for personal data protection.

The justice sector has made progress on some specific areas, such as case management, approval of the selection, promotion, appointment and sanctioning framework within the SCM and SCP. At the same time, the sector was shaken by the involvement of a significant number of actors in the "Russian laundromat" and in the controversial decision to cancel the new elections in Chisinau, held in June 2018. The promotion of several actions to ensure independence in the justice sector did not succeed, even though over 86% of the actions planned in the Sector Reform Strategy were reported as being implemented. Institutional improvements were promoted with the adoption of the Law on the Prosecutor's Office and the Law on specialized prosecutors' offices, but there were doubts as to appointment of the Prosecutor General. Furthermore, the Prosecutors' Inspection remained under the subordination of the Prosecutor General, which fuelled in the public numerous suspicions related to the lack of independence and political control over the Prosecutor's offices and the courts. A reform of the justice sector was initiated at the end of August 2019.

Corruption is still perceived as the main problem of the society, and the corruption perception index has worsened since the provisional entry into force of the Association Agreement (from a score of 35 to 33, according to "Transparency International"). However, public policy actions have been taken, the activity of the Anti-Corruption Prosecutor's Office and the NAC offering a number of cases that have been investigated and referred to justice. It is essential to review the competences of the bodies responsible for fight against corruption and to strengthen prevention tools, such as integrity whistle-blowers. **The money laundering and prevention sector** has the institutional and legislative framework harmonized with the EU Directive 2015/849 since the end of 2017. The Financial Intelligence Unit (SPCSB), as well as other involved authorities have approved specific regulations to identify and report suspicious transactions.

TITLE IV: ECONOMIC AND SECTORIAL COOPERATION

The moderate progress related to Title IV of the Association Agreement was overshadowed by the way initiatives were promoted, many draft decisions being approved in a hurry, without a broad impact analysis exercise, in several cases ignoring the principles of public consultations. An initiative that - both with the annulment of the elections for the position of mayor of Chisinau - hit hard in relations with foreign partners was the Law on voluntary declaration and fiscal stimulation (capital amnesty), which returned to the agenda after a first failure registered at the end of 2016. The latter law had an economic impact incomparable to the image risks and the discouraging effect on the good faith taxpayers.

The public administration reform, although implemented hastily and with little transparency, has made moderate progress in terms of strengthening the institutional capacity of the public administration, implementing policies and efficient use of budgetary resources, and providing high quality services for all citizens. The reorganization of the ministries and public institutions, as well as the improvement of the motivation mechanism for the public service personnel are, to a large extent, the elements that have generated these advances. However, the public administration reform will not be successful unless additional efforts are made to strengthen institutions and business processes in both central and local public authorities.

The constant improvement of the budgetary discipline is worth mentioning. In 2018, for the first time in the last seven years, the Budget for 2019 was approved within the deadline set by the legislation. The budgetary discipline is observed not only when it comes to deadlines, but also in the case of public debt thresholds. The maximum ceiling of the budget deficit in a single year, introduced in 2015, was strictly adhered to during this period. Despite this progress, the analytical capacities of the Ministry of Finance are insufficient, which is an obstacle in carrying out comprehensive tax reforms, but also in creating an independent fiscal council.

The agri-food production sector - which is one of the main beneficiaries of trade liberalization between the Republic of Moldova and the European Union - has received significant support as a result of tariff exclusion and tariff liberalization of exports. De facto, the Association Agreement eliminated the tariff barriers for more than 90 percent of the domestic products. Without placing a strong emphasis on private investments to increase the added value of the exported products, in the absence of the optimal framework for the export of products of animal origin, the effect of exclusion of tariffs will be limited in the medium and long term.

Another important area for the Republic of Moldova is transport. During the reference period, financial allocations for both the improvement of national roads and for the repair of local arteries have increased. The works were not always of high quality, an example in this respect being the rehabilitations within the "Good Roads for Moldova" Programme. In the area of air transport, we emphasize a very rapid increase in passenger traffic, which grew by more than 60% compared to 2014. This increase was possible with the entry of low-cost operators, but due to the expansion of the Chisinau International Airport, under the concession contract. The contract in question has recently become a focal point for discussions in the public and parliamentary agenda, its renegotiation becoming an imperative for the new Government.

Accelerating the process of transposition of EU directives and their implementation must become a crosscutting priority for all areas. Because, despite the existence of a large number of strategic and planning documents, in many areas the results are not showing up. Strengthening institutions and improving interinstitutional cooperation are essential preconditions for this process.

TITLE V: TRADE AND TRADE RELATED MATTERS (DCFTA)

Even though the first years of the DCFTA were marked by serious economic and political problems, which affected the domestic demand and the confidence of the business community, the Moldovan exports to the European market registered a positive trend. The exports of agri-food products benefited the most from the

new trading regime, including categories of products that are subject to tariff quotas. Despite the impressive growth of exports, there are also a number of concerns regarding their concentration both in geographical profile and in terms of the structure of exported products. This is aggravated by the fact that the given exports include a rather low added value (either primary agricultural products or industrial products processed under the Lohn regime), which highlights the low level of competitiveness of the domestic producers and which, in turn, further undermines the sustainability of recorded export growth.

At the same time, despite the numerous speculations that anticipated an alleged invasion of imports from the European Union on the market of the Republic of Moldova, this did not take place, being registered even a decrease in the reference period. As a result, in 2018, there was a decrease, compared to 2014, of the imbalance in trade between the Republic of Moldova and the EU, with the trade balance deficit reduced by 25%.

At the same time, sustained efforts have been made in the part of the transposition of the horizontal legislation covering the general methodology and the institutional configuration in the field of technical barriers to trade (TBT). Although the institutional framework for quality infrastructure has continued to be reformed, a comprehensive strategy to restructure the entire system is lacking, and the process of transposition of sectoral directives is a cumbersome one, as is the process of aligning secondary legislation with the new primary legal framework.

Most of the time, the problem lies in the institutional capacity of the authorities, which remains quite weak and where human resources are either limited or lack the necessary training. At the same time, there is a rather low level of implementation of European standards, due to the costs associated with adopting the standards at the company level and which reduce their attractiveness in favour of GOSTs, which are still used.

In the customs area, several actions have been taken to implement the concept of authorised economic operator (AEO) and electronic customs declarations; to ensure the protection of intellectual property rights and tobacco control; to promote the concept of a one-stop shop and introduce anti-corruption measures. Also, new rules of origin of goods were adopted, according to the regional Convention on the pan-EuroMediterranean preferential rules of origin, which introduced the concept of diagonal cumulation. At the same time, the approval of the new Customs Code is delayed, but also of the legal framework related to the respective Code. And the usefulness of the AEO concept is, for the moment, undermined by the European side's non-recognition of its status. Likewise, a major challenge remains to strengthen the infrastructure of the customs posts, but also to streamline the measures aimed at the integrity of the Customs Service.

Exports of agri-food products from the Republic of Moldova benefited more from the DCFTA compared to those of industrial products. During this period, an important act was adopted for the agri-food sector, namely the National Food Safety Strategy for 2018-2022. This is the first strategic document describing the national food safety framework, as well as the main obstacles in this area. One of the major objectives, in this context, is to expand the list of products of animal origin with right to export on the EU market, with the attainment of the right to export eggs and, subsequently, poultry meat, an action that the authorities have for several years in a row promised to accomplish.

In the field of competition, the enforcement of legislation seems to have improved, with an increase of identified cartels, as well as of the number of applied fines. The amendments of the Criminal Code to allow the application of the leniency policy, provided for in the Competition Law, have not yet brought tangible results on problematic markets, such as oil, pharmaceutical or insurance products. In addition, in order to build confidence in the institutional capacity of the Competition Council to promote healthy competition, it is essential to publish the results of the investigations carried out by the Council.

The most visible advances in the field of financial services were registered in the banking sector - both on the transposition side and on the implementation of the European legislation by banks. Thus, the Basel III regulatory regime was transposed through a new banking law and a series of related regulations. In addition, the events of 2014-2015 determined the acceleration of the transposition of the mechanism of prevention and management of systemic crises - respectively, the Law on Bank Recovery and Resolution. The pace of transposition of the directives and the development of the financial system, by boosting the insurance sector, the capital market and the pension system, must remain a priority for the political environment.

The connection of the national public procurement system with the European norms derives largely according to the requirements and the established timetable. The institutional framework was completed with an independent and autonomous dispute resolution body - the National Agency for the Settlement of Disputes.

The national legislation in this field also corresponds to the main European directives. Priority remains the full implementation of the MTender electronic public procurement system and the enhancement of the institutional and human capacities of all contracting entities, including central entities, such as the Public Procurement Agency.

TITLE VI: MACROFINANCIAL ASSISTANCE, ANTI-FRAUD AND CONTROL PROVISIONS

The European Union is the main development partner of the Republic of Moldova. The key objective of EU assistance is for European support to contribute to creating tangible benefits for Moldovan citizens, strengthening the rule of law, capitalising on the opportunities of the Deep and Comprehensive Free Trade Area with the EU (DCFTA), as well as strengthening transport and energy connections.

The assistance of the European Union is provided on the basis of strict conditionalities, closely linked to the results of the reform process, respect for democratic principles, the rule of law and human rights. This principle has been applied consistently in the case of the Republic of Moldova, in particular with regard to budget support programmes and macro-financial assistance. Starting with 2015, the allocation of European funds has been suspended or even cancelled. In 2018, the European Commission decided to recalibrate the assistance and its reallocation, respectively, to support other local actors, namely various reform organizations, focusing on civil society, the media, SMEs and local public authorities.

In 2017, the European Union decided to offer the Republic of Moldova a macro-financial assistance programme worth 100 million euros, which includes 40 million in the form of a grant and 60 million in preferential credit. Now, the authorities are making efforts to fulfil the necessary conditions to obtain the first instalments of this assistance, after its suspension in mid-2018.

In addition to the development assistance provided by the EU member states, the Republic of Moldova also benefits from other thematic assistance programmes - in the field of human rights and strengthening of civil society. Additionally, the country receives funds from regional programs under the Eastern Partnership. For example, the EU4Business programme, worth 200 million euros, supports the business environment in the Republic of Moldova, the development of SMEs and access to finance and skills. Moreover, Chisinau participates in EU cross-border cooperation (CBC) programmes, such as the Black Sea Programme, the CBC Romania-Moldova-Ukraine Programme and the INTERREG Programme. EU support is also provided through projects of high-level counselling from EU experts in implementing AA.

The EU also supports the Republic of Moldova through joint investment programmes with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). Our country participates in the Partnership for Energy Efficiency and the Environment in the East (E5P), and the EIB also supports the development of the agri-food sector. "Filière-du-vin" and "Fruit Garden Moldova" are two emblematic investment projects, implemented in response to the numerous trade embargos imposed by the Russian Federation.

The European Union has improved its communication and visibility activities in the Republic of Moldova. In 2018, the EEAS adopted the Communication and Visibility Requirements. The EU delegation in Moldova paid special attention to informing about the actions carried out and those implemented in Moldova and intensified the regional and local mobilization activities, targeting local CSOs, local authorities, rural and regional development.

EU-Moldova cooperation in the field of anti-fraud and control over the management and implementation of EU funds was strengthened in 2014-2019. The strategic and operational collaboration of the Government of the Republic of Moldova with the relevant European agencies - in particular, the National Anti-Corruption Centre and the European Anti-Fraud Office (OLAF), played a special role in this regard. Following the criminalisation, in the national legislation, of fraud with the involvement of external funds, the NAC carries out strategic and operational analyses, after which, in cooperation with the Anti-corruption Prosecutor's Office, initiates criminal cases that require additional efforts to ensure the finality of the investigations with the criminal prosecution of involved persons. From an institutional point of view, the Republic of Moldova has improved its system of integrity and recovery of criminal assets through the creation of ANI and ARBI. However, additional measures are needed to strengthen the capacity of these authorities to act more decisively and efficiently.

http://ipre.md/wp-content/uploads/2019/10/Shoadow-Report_5-years-AA_ENG_Final.pdf

1.2 Institute for European Policies and Reforms: Policy Paper - Five Years of EU-Moldova Visa Free Travel

The visa free travel regime with the EU is considered one of the key results of EU-Moldova cooperation since the Eastern Partnership (hereinafter EaP) was launched in May 2009. To date, over 2.1 million Moldovan citizens (over 60% of the population) have travelled to the EU without visas. Moldova continues to respect the requirements for visa free travel to the EU: state-issued documents comply with the International Civil Aviation Organisation (ICAO) security standards. The number of asylum applications from Moldovan citizens to EU countries has increased from 480 in 2014 to 3,835 in 2018. However, the number is still relatively small. The application of the readmission agreement with the EU is well implemented. The Moldovan government has generally complied with requests for readmission of Moldovan citizens and third country nationals.

Some issues remain problematic, however. For instance, important policy actions are needed to reduce the risks of money laundering. Specifically, off-shore jurisdictions should be excluded from certain categories of transactions (including privatisation, public procurement, concessions and public-private partnerships) and there should be increased monitoring of suspicious transactions as well as improved mechanisms for freezing and seizing illegal funds. Additional data from abroad is essential to identify the real assets of public officials and investigate their source. That will allow the Moldovan public to hold officials accountable if allegations are proven, thus reducing the risks of corruptive or criminal activities.

Conclusions

- The Moldovan government has taken significant steps to set up new institutions or to transform or strengthen existing institutions and to adopt legislation on the status of foreigners, asylum, personal documents, the fight against corruption and organized crime including money laundering and financing of terrorism, as well as the integrity of public officials and asset recovery. There was a delay, however, in approving legislation concerning integrity, anticorruption and organized crime, and asset recovery;
- Moldova is complying with ICAO standard by ensuring a high level of security of documents for its citizens as well as for foreigners residing in Moldova including refugees, asylum seekers and stateless persons. The positive experience in implementing high levels of security of documents was shared with other countries in the EaP region. Internally, an advanced mechanism of verification of the papers of citizens coming from the Transnistrian region was put in place, which reduces the likelihood of fake birth certificates or other forged civil status documents and increases the integration of the citizens in the Transnistrian region;
- A new civilian border police has been created that replaced the old military border guard service, and the BMA has been strengthened and received new powers and tasks to manage migration;
- The application of the readmission agreements with the EU has so far proved to be successful. The voluntary and forced return of Moldovan citizens to Moldova was assessed positively in the second Commission Report on the application of the Visa Suspension Mechanism from December 2018;
- Unfounded applications for asylum by Moldovan nationals in Schengen countries has been the subject of concern for some EU member states recently, as the numbers increased from 480 in 2014 to 3,835 in 2018. A separate administrative arrangement with the German authorities was concluded to expedite the return rejected asylum seekers from Moldova;
- The public order and security components have not been implemented as effectively. The antimoney laundering mechanisms should be strengthened; the judicial and prosecutorial services should be more effective and less corrupt; the National Integrity Authority and the Agency for the Recovery of Criminal Assets should be strengthened and allocated more resources; and more cases of high-level corruption and organized crime cases should be prosecuted and brought to trial;
- Additional steps should be taken to ban transactions with off-shore jurisdictions (in privatisations, public procurement, concessions and public-private partnerships). In this context, it is also necessary to increase scrutiny of suspicious transactions to avoid money laundering activities;
- At the international level, enhanced cooperation is necessary to obtain data on assets held by Moldovan citizens abroad, monitor their transactions and to freeze and seize assets which are suspected of being the results of criminal activity.

Recommendations

Irregular Migration and Readmission

- Expand information campaigns to the public at large on the requirements to legally travel and reside in the EU, including on TV, at the border crossing points, at the Public Service Agency multifunctional offices when picking up the passport, at travel agencies, including online when receiving e-tickets;
- Continue with the process of negotiating readmission agreements with countries from which many nationals are residing in Moldova;
- Continue the good practice of integrating minorities in Moldova to reduce the likelihood they will submit unfounded asylum applications in EU member states;
- Liaise with the main destination Schengen countries and urge them to shorten the length of asylum procedures for Moldovan citizens and maintain limited associated benefits (e.g. in-kind benefits instead of cash benefits, collective accommodation centres instead of private homes);

Public Order and Security

- Make more progress in the investigation of the money laundering schemes that have become public, including the banking fraud and the Russian Laundromat;
- Significantly improve internal selection procedures for prosecutors and judges to restore the public's trust in the judicial system and to increase the effectiveness of investigations and adjudication in high-level cases of money laundering, corruption and organised crime;
- Strengthen the capacities of the National Integrity Authority and the Agency of the Recovery of Criminal Assets to investigate asset declarations and ascertain whether they correspond to the real assets held, to be able to conduct parallel financial investigations, identify, seize and confiscate proceeds of a crime. Consider transferring the management of seized assets to a different authority;
- Review the legislation offering “decriminalisation for certain economic crimes” and assess the impact of the fiscal amnesty law, as well as consider repealing the law on citizenship through investment.

<http://ipre.md/2019/10/17/five-years-of-eu-moldova-visa-free-travel/?lang=en>

1.3 Institute for European Policies and Reforms: Policy Paper – Parliamentary development in the framework of Moldova’s Europeanisation process

This paper reviews the parliamentary development process in the Republic of Moldova (hereinafter Moldova), against the background of the European Union’s (hereinafter the EU) democracy support policy, Moldova’s changing political landscape, and commitments to implement the Association Agreement with the EU. The paper begins with a brief overview of the current Moldovan political landscape and continues by introducing the EU’s view on democracy support and parliamentary development.

The paper then identifies the main needs and challenges for parliamentary development in Moldova, which in turn leads to a set of key recommendations for the EU and Moldovan policy makers.

The most important findings of the paper are the following:

- EU democracy support for Moldova should explicitly include a parliamentary dimension;
- More attention is needed on capacity-building in Moldova’s parliament (including other actors such as political parties), with the aim of developing a culture of transparency and accountability;
- Investigating options for stronger affiliation of individual parliamentarians with constituencies;
- Taking measures to boost the transparency of the legislative process;
- Helping to strengthen parliament’s rules and procedures with a view to strengthen democratic oversight; and
- Initiating an awareness-raising and training campaign for members of parliament (MPs) in order to develop their knowledge on the implementation and oversight of the EU Moldova Association Agreement provisions.

Conclusions

Recent political developments in Moldova have raised concerns about the continuity of the reforms initiated by the previous pro-reform government led by Maia Sandu. Whether the new Chicu minority “technocrat” government is still determined to “deoligarize” the system remains to be seen and will be closely monitored by

Moldova's international partners. In order for this to succeed and for Moldovan state institutions to function again, comprehensive reforms are evidently needed.

These coincide to a large extent with the reforms already laid down in the Association Agreement. Moreover, in line with the EU's vision on democratization, recently renewed by the Council of the EU, adding the parliament of Moldova as one of the key institutions to be targeted in the reform process would need to be strongly considered. An embedded democratization process in Moldova needs to encompass the central elected representation body of the country.

Currently Moldova, like most if not all transition countries, lacks a parliamentary culture. Even though by law parliament has the powers to oversee the executive, the execution thereof is lagging behind. Developing a parliamentary culture would mean pro-actively enforcing a necessary culture of upholding transparency and accountability of the executive. For this, one needs MPs to actively use their given legal powers.

Hence, it is important that they have the capacity, skills, tools, and techniques to properly fulfil their role as legislators. In terms of parliamentary representation and accountability, Moldova has seen challenges resulting both from its party list system and the mixed system based on which 51 MPs were elected in February 2019 to represent singlemandate constituencies. In the meantime, the mixed-electoral system has been abolished in favour of the former with proportional representation.

With the new-old proportional electoral system being reinstated, improvements are needed to further enhance representation and accountability towards regions and constituencies that needs to be addressed by ensuring more links between MPs and citizens on the local level. Another relevant issue to do with parliamentary representation, and one which subverted the functioning and image of the parliament, is the phenomena of party switching. Even though not uncommon in EU countries, the scale and discrepancy in ideological allegiance that was seen in the former legislature in Moldova gives rise to concern.

Steps could also be made regarding transparency of the legislative process. For one, there is yet to be a consistent approach towards the adoption of the annual legislative plan. Moreover, in the legislative process itself there is not a uniform consultation process being applied and not all relevant information is made available to the public.

In terms of the oversight function of parliament, which also links to the issue of parliamentary culture, the situation seems to have improved under the current legislature, which has used the powers and tools available to address serious issues that had been left untouched by the former parliament. However, shortcomings remain. Mainly, when it comes to the budgetary process, there is still ground to gain in terms of effectiveness and transparency of the process. Pertaining to parliament's role in the AA implementation, steps need to be made when it comes to expertise, knowledge, and interest from MPs in this process.

Notwithstanding the work that has been done on this by means of technical assistance from the side of the EU, the understanding of the importance of the implementation of the AA and how to deal with this from the parliament's perspective has not really spread beyond the committee of Foreign Affairs and European Integration. Even though for this committee there is also still plenty of work to be done, it is vital that across all parliamentary committees' expertise and interest is strengthened in order for parliament to oversee whether the laws deriving from the EU acquis are appropriate and optimally serve the Moldovan context.

General recommendations

The EU should rethink its approach in supporting the democratisation process in Moldova by prioritising parliamentary development

- The EU support to the democratisation process in Moldova should include parliamentary development as one of its key priorities.
- The Moldovan parliament should discuss with the EU and other development partners a Parliamentary Development Strategy that would include a set of unified development priorities and performance indicators.

Parliamentary culture should be key for sustainable parliamentary development to be done in and outside of parliament

- EU support for parliamentary development should include dedicated assistance to strengthen the capacity of MPs in terms of skills, tools, and techniques, to fulfil their representation, legislative, and oversight functions.

- Increase transparency and accountability at the party level for future MPs. It is recommended to further develop the existing provisions of the law on integrity¹ that provides for the legal basis on strengthening the political integrity climate, including in political parties.
- Strengthen the role of the political party foundations following the example and the model of the German political system via reviewing the party financing legislation by introducing a mandatory allocation (ex. 10%) for the creation and the activity of the political foundation, directed to finance research, policy development, political, and civic education activities.
- Support civic education and democratic participation by promoting political culture among local leaders and politically active citizens that do not necessarily participate in political parties.

Recommendations for Moldovan Policy Makers

Enhance parliamentary representation and accountability

- Strengthen individual MPs' capacities to improve outreach and reporting to their constituencies.
- Establish a practice of regular reporting of MPs to their constituencies by providing regular information on the parliamentary webpage of MPs about their parliamentary activities, calendar of meetings, and visits to a particular constituency.
- Prepare, publish, and present regular (annual) reports about MP's parliamentary activities (number of legislative initiatives, positions, statements, etc.).

Address the phenomenon of "party switching" in line with the 2015 Council of Europe Parliamentary Assembly recommendations

- Provide for a methodology for in depth analysis of party switching.
- Introduce requirements for, and consequences of, switches in political affiliation and the suspension, expulsion, or resignation of members from their political groups.
- Promote specific rules of conduct concerning members' integrity, if appropriate, by supplementing existing laws or codes of conduct or ethics, so as to prevent and sanction certain forms of corruption such as vote buying or selling or bribing members to change groups.
- Develop a record of party switches in affiliation by their members.

Increase transparency of the legislative process

- Advance the implementation of the new IT system of the parliament (e-parliament) that should include, apart from the e-voting system, the legal documents management system and the new public web-portal of the parliament.

Strengthen the oversight function of the parliament

- Ensure more effective parliamentary oversight over government, legislation and budget, in particular by further operationalising in practice the new ex-post legislative scrutiny methodology.
- Provide for more detailed provisions in the rules of procedures of the parliament on public hearings and questions to the government, so as to ensure more effective oversight and postlegislature scrutiny instruments.
- Better regulate the role, rights, and obligations of the opposition in the Parliament by providing for the effective right of the opposition to have a leading role in conducting the oversight process over the government and other public authorities.

Strengthen the role of the parliament in the implementation of the Association Agreement

- Mainstream into the parliamentary development process the parliament's role in the implementation of the Association Agreement.
- Improve the capacities of MPs on the EU legal approximation process.
- Establish a special parliamentary standing Committee for European Integration that should scrutinize the legislative process of EU approximation and consolidate the oversight function on AA implementation, following the example of Georgia and Ukraine.

<http://ipre.md/2019/12/26/policy-paper-parliamentary-development-in-the-framework-of-moldovas-europeanisation-process/?lang=en>

¹ Law no. 82/2017 on integrity, available in RO at: <http://lex.justice.md/md/370852/>

1.4 Expert-Grup: EU policy on strengthening resilience in Moldova, Ukraine and Georgia Between the rule of law and oligarchic influence

The paper analyzes the state capture and oligarchic control of political power and electoral processes in the associated countries of the Eastern Partnership – Georgia, Moldova and Ukraine – are acknowledged by EU institutions, civil society organisations and in public opinion.

That inevitably puts pressure on the resilience of these three countries, in addition to Russia's aggressive campaigns, carried out with or without the use of conventional weaponry. This policy brief looks at the EU's actions to invest in and consolidate the rule of law, in the direction of stimulating internal resilience. It provides a range of arguments supporting the idea that the EU is not sufficiently tackling the oligarchic influences in Moldova, Ukraine and Georgia.

High levels of 'state capture' and oligarchic control of political power and electoral processes in the associated countries of the Eastern Partnership (Georgia, Moldova and Ukraine) have frequently been acknowledged by EU institutions, civil society organisations and in public opinion. The downward spiral of these drawbacks has undermined the implementation of the reform-driven Association Agreements in terms of building a more functional rule of law.

This state of affairs runs counter to the ambitions of the 2015 review of the European Neighbourhood Policy, the 2016 EU Global Strategy and the 2017 Strategic Approach to Resilience in External Action, which emphasised the need to strengthen the rule of law in third states. The EU aimed to create more resilience in the region, viewed in tight connection with the transformative capacity within the states, which via reforming can withstand and recover from internal and external crises. The reality on the ground illustrates that internally the three analysed countries are vulnerable because of the appetite of informal groups to infiltrate government in order to manipulate the reforms and benefit from their ineffectiveness. Consequently, such behaviour puts pressure on the resilience of Moldova, Ukraine and Georgia, in addition to Russia's aggressive campaigns, carried out with or without the use of conventional weaponry. The entire range of the EU's above-mentioned framework documents invites the European institutions to engage with the eastern neighbours to strengthen their resilience. A special focus of the EU's external action is on fortifying the functionality of states in ensuring the rule of law together with other aspects – democracy, human and fundamental rights. By doing that, the EU pursues a larger, and to some extent idealistic goal, of building inclusive, secure and prosperous societies in its surrounding regions.

The policy brief raises attention to the fact that while the EU has financed various actions to improve the rule of law in these countries, the influence of the oligarchs has not lessened but rather adapted. First, the policy brief analyses the content of the Association Agendas with Moldova, Ukraine and Georgia, in order to identify what measures the EU agreed to apply on the rule of law in relation to ongoing reforms so that the ruling oligarchy is tackled by direct or indirect means. Second, the attention turns to the programmes implemented by the EU, with the financial support of the ENI, for areas covering the rule of law that consequently can erode the oligarchic governance in each of the three countries. Third, the outcomes of the EU's actions that pertain to the rule of law are studied by examining the implementation reports. The timespan of the analysis extends from 2015 until 2018. In 2015, the review of the European Neighbourhood Policy incorporated resilience; in 2018 the latest implementation reports under the Association Agreements with Moldova, Ukraine and Georgia were issued. Also, the policy brief includes a set of recommendations that are meant to constrain oligarchic governance.

<https://www.expert-grup.org/en/biblioteca/item/1812-politica-ue-privind-consolidarea-rezilientei-in-moldova-ucraina-si-georgia-intre-statul-de-drept-si-influenta&category=7>

1.5 Expert-Grup, IPRE, LRCM: White Book of Good Governance. Policy priorities for the next 12 months for the Government of the Republic of Moldova

Given the formation of the new Government and the urgent need to promote a number of policies and reforms to strengthen good governance in the key development sectors, Expert-Grup, IPRE and LRCM joined their efforts to develop the White Book of Good Governance.

The paper represents a short synthesis of the main policies and reforms related to economic, social, justice, foreign policy, security, defense and public administration reform sectors, as well as the implementation of the Association Agreement (AA) and of the Deep and Comprehensive Free Trade Area (DCFTA) with the EU,

which are recommended to be implemented by the Government during the next 12 months. These were identified following a number of policy analyses and studies conducted by Expert-Grup, IPRE and LRCM that combine three core principles: (i) urgency of implementation (need to be implemented as soon as possible); (ii) financial and technical feasibility of implementation, and (iii) expected short- and long-term impact.

The authors do not insist that the proposed list of recommendations is exhaustive, but strongly recommend that the Government included them into its activity plan. At the same time, the authors are open to providing their expertise to promote and implement these recommendations, including in partnership with other civil society representatives and the development partner community.

The White Book of Good Governance provides a set of detailed recommendations on Government initiatives in the following fields: Public Finance, Public Sector Integrity, Business Climate, Labour Market, Social Protection, Implementation the Association Agreement (AA), DCFTA Implementation, Financial Sector, Environment, Public Administration Reform, Energy Security, Foreign Policy, Defense and Security Sector, Transnistrian Conflict Settlement, Justice, Anticorruption, Human Rights and Civil Society.

<https://www.expert-grup.org/en/biblioteca/item/1837-carte-a-alba-a-bunei-guvernari-propunei-privind-prioritatile-de-politici-pentru-guvernul-republicii-moldova&category=7>

1.6 Expert-Grup: DCFTA implications for foreign trade of the Transnistrian region

The Association Agreement between the Republic of Moldova and European Union has major political, social and especially economic implications (mainly its component of Deep and Comprehensive Free Trade Area (DCFTA)). The economic side of it resulted in a completely new legal framework between the parties, which directly impacted the Transnistrian region. This was one of the main uncertainties that emerged at the start of the negotiations, as the imperative rules of trade policy implied application of the DCFTA throughout the Republic of Moldova, including in the regions not controlled by the constitutional authorities.

The study looks at how DCFTA brings about several advantages that aren't only about tariff preferences, but also about modernisation and economic development of the Transnistrian region. Not applying the DCFTA could bring the administration of the Transnistrian region on the verge of an economic catastrophe and political failure. Some estimates showed that the amount of customs duties not paid by the business operators exporting to the EU alone totalled about USD 24 million in 2017. Besides these gains, there are also challenges coming along with certain commitments, because the granting of unilateral advantages by the EU (as with the ATP, for instance) no longer fits into the legal framework of the DCFTA. When DCFTA negotiations began, the Transnistrian administration showed little interest in it as it was rather passive during negotiations and it hoped to enjoy a separate regime for itself (without the consent of the Moldovan administration). Later, however, after all hopes to settle a direct agreement with the EU without the Republic of Moldova were lost, but also under the pressure made by the business community in the Transnistrian region (risking to lose the possibility to export under preferential regime), the Transnistrian administration had to accept the conditions imposed by the EU and the Republic of Moldova, which were put down in a non-paper that the Tiraspol authorities committed to comply with. Despite the non-paper, there's no transparent mechanism to monitor its implementation by the Transnistrian party. Without the necessary toolkit, the developments related to the implementation of the DCFTA in the region are uncertain. Thus, the DCFTA aspects are being implemented in the Transnistrian region with a lot of secrecy because its sensitiveness for the Tiraspol administration and because of the political distress it caused.

An objective impression regarding the above-mentioned can be drawn on the basis of the developments in particular areas that can be linked indirectly to DCFTA implementation. The most convincing reasons, though, are provided by the exports statistics. Despite the persistent univocal catchphrases about economic integration with the structures coordinated by the Russian Federation, such as the Eurasian Economic Union, the exports from the breakaway region prove that it depends deeply on the EU market (on the Romanian one in particular), which absorbs 55-65% of the total exports of the region. We must note, though, that the dynamics of exports in all directions show they are vulnerable to external shocks, which is made even worse by the high level of concentration of exports both by their structure and by their geographic destinations. The sensitive nature of Transnistrian exports is caused by the massive focus on particular industrial sectors (metallurgy and textile), but this is the case because the business entities were inherited from the Soviet Union (one single metallurgy company and several textile companies). Under these circumstances, the implementation of the DCFTA in the Transnistrian region turns out to be even more relevant, since on the one hand it provides producers with direct trade advantages and preferential access to the EU market, and on the other – it involves the

modernization of the Transnistrian economy, which still has reminiscences of the Soviet period. In order to succeed, several efforts need to be made by all the parties involved in the process, by showing consistency, perseverance and flexibility.

Some of the measures recommended to achieve this are to avoid categoric wordings in implementing the DCFTA in the Transnistrian region and identifying some smoother transition regimes for DCFTA implementation, particularly in terms of legislation harmonisation, to provide technical and financial assistance for the development and implementation of reforms in the Transnistrian region in priority sectors, to reflect in full the tariff concessions of the Republic of Moldova in the tariff of the Transnistrian region, particularly regarding the period of transition to importing from the EU, avoiding sensitive terminology (e.g. DCFTA, AA) in discussions with the Tiraspol administration, to support initiatives aimed at communicating the opportunities the DCFTA offers the Transnistrian region and information and awareness-raising campaigns about the opportunities to participate in EU programs for entrepreneurs meant for the business community of the Republic of Moldova etc.

<https://www.expert-grup.org/en/biblioteca/item/1743-implicatiile-zlsac-asupra-comerului-exterior-al-regiunii-transnistrene&category=7>

2. Anti – Corruption

2.1 *TI-Moldova*: The gates to Europe: Moldovan Citizenship for Sale

The Republic of Moldova is part of the Eastern Partnership since its creation in 2009. Signing of the Association Agreement between the Republic of Moldova and the European Union, in 2014, stimulated the process of bringing the parties closer together in the political, economic and democratic fields. In the same year, the visa regime for short-term travel in the Schengen area was liberalized for the citizens of the Republic of Moldova. Within this exercise, the Republic of Moldova committed to comply with certain data security standards, starting with the documentation, border control, combating the illicit trafficking of goods and persons etc.

Following the signing of several international agreements, the citizenship of the Republic of Moldova offers the right of visa-free movement in over 120 countries of the world. As a result, the citizenship of the Republic of Moldova has also become attractive for dubious persons from outside the country who would like to take advantage of obtaining the right to citizenship.

In 2014-2019 the Republic of Moldova was recognized as a state captured by the interests of an oligarchic group, a jurisdiction involved in several money laundering schemes. The most famous of these was the "Russian laundromat"², where tens of billions of US dollars were laundered. Within another large fraud, known as "the billion dollar theft", an amount equivalent to 1/8 of the Gross Domestic Product of the Republic of Moldova was stolen from the banking sector.

In these circumstances, in order to legalize the money obtained from such schemes, the "political elite" of the oligarch's circle initiated a series of legislative projects. Thus, in 2016, two draft laws have been simultaneously promoted: the "law of capital amnesty" and "the law of citizenship through investments" - two projects that created favorable conditions for international money laundering. Moreover, in 2017, the same people from the oligarchic circle tried to free of criminal liability persons involved in economic, financial and banking frauds through another project known as "the law of de-criminalization of some types of frauds".

Although the real purpose of the "Golden Visa" program was to obtain income from money laundering at international level, the project was beautifully packaged for the citizens of the Republic of Moldova as an initiative to support the entrepreneurial environment, and for foreign citizens - as an opportunity to benefit from the visa-free regime and the possibility to travel without visas to over 120 countries.

At the same time, instead of the state law-enforcement and security bodies verifying the candidates for citizenship, these functions have been delegated to private companies, one being recently incorporated in Dubai (MIC – Moldovan Investment Company³). Moreover, by classifying the identity of "Golden Visa" candidates and beneficiaries, the program authors intended to prevent the attempts of research journalists and civil society to verify the lawfulness of the applicants' welfare sources.

The citizenship through investment program promoted in Moldova is largely similar to those in Cyprus and Malta, which have produced criticism due to generating corruption, undermining security and 5 creating external interference. The citizenship of the Republic of Moldova was to be offered as soon as the money / value was paid or committed for the next 5 years. In fact, this program entails providing to the state short-term loans by citizenship applicants at a very advantageous interest rate or purchasing existing real estate, thus neither contributing to new business nor jobs creation, hence no real investments made.

Civil society came forward with numerous valuation reports and public statements regarding the harmful character of this program⁴. The National Anticorruption Center, an authority meant to assess the draft laws, evaluated this document as "*detrimental to the public interest and with major risks for the safety and security of the citizens and of the state of the Republic of Moldova*"⁵.

Among the first applicants for citizenship through this program were relatives and close friends of the main figures of several investigations initiated in a series of files related to bank fraud, fraudulent concessions of

² <https://www.occrp.org/en/laundromat/the-russian-laundromat-exposed/> , <https://www.rise.md/english/the-russian-laundromat/> , <http://www.transparency.md/2019/06/18/the-russian-laundromat-a-70-billion-money-laundering-scheme-facilitated-by-moldovan-political-elites/>

³ <https://www.mold-street.com/?go=news&n=8292>

⁴ <http://www.transparency.md/2017/08/22/position-paper-the-new-amendments-to-the-citizenship-law-a-risk-of-legalizing-fraudulent-financial-means/> , http://www.transparency.md/wp-content/uploads/2018/04/Observator_8F.pdf

⁵ https://cna.md/public/files/raport_expertiza/rea-dep453-investitstrainid6398.pdf

state assets, and persons with travel bans. 34 applications for citizenship already submitted will be examined; new applications are no longer accepted. The President of the Republic of Moldova has already granted citizenship of Moldova through investments to 6 applicants. The amount collected in the state budget (Public investment fund for sustainable development) is 545 thousand euros⁶.

Following the parliamentary elections in February 2019, the new government committed to repeal the Citizenship Law through investments. The law has been suspended for a period of 4 months, until there is clarity on the possible litigation consequences.

In view of the above, some measures can be implemented to eliminate the risks and negative effects of carrying out this program:

- Cancelling of the program, due to being harmful and pertaining regional security risks;
- Starting an investigation on the way the program was initiated and promoted (synchronized with other initiatives focused on capital amnesty and de-criminalization of the economic and financial frauds), examining the legal aspects of organizing the tenders for selecting private companies involved in order to demonstrate the real purpose and bad intention of the authors;
- Examining the opportunity to convert the "citizenship through investment" program into "residence through investment" program, with an emphasis on attracting foreign direct investments and stimulating entrepreneurial initiatives.

<http://www.transparency.md/wp-content/uploads/2019/10/The-Gates-to-Europe-Moldovan-Citizenship-for-Sale.pdf>

2.2 WatchDog.MD, TI – Moldova: The Russian Laundromat – a \$70 billion money-laundering scheme facilitated by Moldovan political elites

In 2014, public opinion worldwide was staggered by revelations of a massive money laundering scheme in Eastern Europe published by the investigative journalists from OCCRP and dubbed the "Russian Laundromat". During 2010-2014, billions of US dollars from Russian banks were laundered through Moldovan banks, using illicit court rulings on defaulted fake debts. The laundered funds were further transferred to a group of shell companies having accounts in Western banks. Although law enforcement officers from Moldova pretend to have tracked down \$20 billion of suspicious money, publicly available evidence shows that the real amount of laundered funds amounted to as much as \$70 billion. Not a single person from the Moldovan banking supervisory or prosecution authorities has been sentenced so far for allowing this to take place on their watch. Moreover, several individuals directly involved were recently promoted to the Constitutional Court. This research summarizes the arguments on how Moldovan supervisory and prosecution authorities, captured by and subordinated to certain political elites, knowingly turned a blind eye on suspicious activities, while the Parliament and the Constitutional Court approved legislative changes to facilitate the money laundering scheme.

How the money was moved from Russia to Moldova and onward: The laundered Russian money may have come from unsecured bank loans, fictitious acquisitions related to government contracts, misappropriation of funds from the Russian treasury, tax evasion and smuggling. In order to move the funds out of Russia, the perpetrators opened at least 21 shell companies incorporated in the UK, Cyprus and New Zealand. The scheme worked as follows: *Shell Company A* issued a promissory note to *Shell Company B*, without transferring any real money. The note was endorsed by the Russian companies who intend to launder the funds, creating thus a fake debt. The same note was also endorsed by a Moldovan citizen whose identity had been stolen by the perpetrators. Using this ingenious scheme with endorsed promissory notes, the organizers claimed the fake debt repayments in Moldovan courts. Since the debt was not contested by any of the parties, the court rulings were pronounced within 5 days of the debt claims being filed.

⁶ <http://tvr Moldova.md/actualitate/programul-de-acordare-a-cetateniei-in-schimbul-investitiilor-ar-fi-adus-deja-in-buget-545-mii-euro/>

Further transactions using the funds originated from a commercial bank of an EU-member state and thus were not questioned by other Western banks. The money went to a total of 5,140 companies in 96 countries, according to OCCRP journalists. This ingenious scheme allowed the perpetrators to accomplish several goals: (i) to launder ill-gotten assets; (ii) to transfer the funds into Western banks and place them into legal circulation; and (iii) to avoid any legal issues with the repatriation of money in the Russian Federation by having court rulings issued by Moldovan judges.

Among the beneficiaries of the enormous sums run through the Russian Laundromat is Alexey Krapivin, the son of a deceased associate of Vladimir Yakunin – the former president of Russian Railways. Between 2011 and 2014, Krapivin's firms received at least \$277 million from the Laundromat, OCCRP reporters say. In 2012 and 2013 alone, companies controlled by the Krapivin family and its partners won tenders worth 120 billion rubles (nearly \$3.7 billion) from state-owned Russian Railways. Another beneficiary of the Laundromat money was Moldovan "shadow banker" Ilan Shor. Between 2011 and 2013, his companies received about \$22 million from so-called "ghost companies" involved in the Russian Laundromat. Shor was convicted for his role in the \$1 billion Moldovan bank fraud in 2017, but is free pending appeal. The corporate investigation firm Kroll stated in its report to the National Bank of Moldova (NBM) that "Shor was one of, if not the only beneficiary" of the billion-dollar theft. However, given the immense amount of the fraud (13% of the GDP), Shor could not have committed the fraud without the protection of the supervisory and prosecution authorities, subordinated to the political elites.

The immense Laundromat fraud scheme involved at least one Moldovan bank (Moldindconbank, controlled by Veaceslav Platon) and at least 19 Russian banks. One of them was the Russian Land Bank (RZB) that allegedly laundered \$9.7 billion. RZB was controlled by "shadow banker" Alexander Grigoriev, who was arrested by FSB officers in October 2015 for supposedly laundering \$46 billion through Moldovan and Baltic financial institutions. Until 2014, among the members of the supervisory board of RZB was Igor Putin, the cousin of the Russian president. Igor Putin had been also a board member of Promsberbank, another Russian bank controlled by Grigoriev. According to a whistleblower report, Promsberbank was involved in the Danske Bank financial scandal.

Nearly \$70 billion was laundered in Moldova between 2010-2014: The statistical reports show an increased amount of cash inflows originating from CIS (former Soviet) countries into the Moldovan banks between 2010 and 2014. The total inflows amounted to as much as \$80 billion (94.4% originated from Russia) and significantly exceeded financial flows from real economic activities, such as exports and personal remittances, which totaled \$9 billion during the same period.

Thus, **during 2010-2014 the total inflows from CIS countries to Moldova related to suspicious activities are estimated at \$71 billion, which is more than 10 times the annual GDP of Moldova for 2014.** Following that, after the end of the Russian Laundromat scheme in 2014, annual financial inflows from CIS countries decreased significantly in 2015, from \$21 billion to \$3.2 billion. In order to clarify the situation, we submitted an information request to the Moldovan authorities. In the answer provided by NBM, the supervisory authority explains that the suspicious transactions refer to interbank operations with deposits, loans and transactions with financial derivatives. On the other hand, the Office for Prevention and Fight against Money Laundering (OPFML) considers **the respective suspicious transactions as being part of the Russian Laundromat scheme** conducted through Moldindconbank. The OPFML fined the bank 4.3 million MDL (equivalent to approximately \$250,000) for not submitting Suspicious Activity Reports (SARs). It is worth noting that the New York State financial regulator DFS is conducting an investigation into global money laundering and recently asked two Nordic banks (Nordea Bank Abp and SEB AB) to provide detailed information about their transactions with Moldindconbank.

The role of the supervisory authorities in Moldova: When a court examines a debt repayment claim based on a promissory note worth \$700 million (about 10% of Moldova's GDP in 2014) that was endorsed by a Moldovan citizen, it should obviously raise red flags. But when such cases happen continuously during a 5-year period, it is impossible to consider them as being a coincidence. It can only be seen as an organized process of legalizing ill-gotten funds originating from Russia.

National Bank of Moldova: The supervisory activity of the Moldovan banking sector is conducted by the NBM. According to Moldovan law, the NBM has the following Anti-Money Laundering (AML) instruments: To block suspicious transactions related to operations without economic reasons and transfer of funds to offshore firms; To impose special administration on a poorly governed bank; To refuse to approve the appointment of a

bank's top managers, if nominated by suspicious shareholders; To block the ownership stakes of suspicious shareholders which were acquired in a concerted action; To revoke the license of a bank.

Given the immense value of the suspicious transactions, the NBM should have performed an ad-hoc inspection of Moldindconbank to verify the legal grounds for the suspicious transfers. Nevertheless, the bank could not have refused to execute a payment ordered by a court ruling.

OPFML – the AML supervisory authority: The country's AML supervisory authority is the OPFML. According to the legal provisions, the banks are obliged to submit SARs to the OPFML about suspicious transactions within 24 hours after receiving the payment documents. The banks are obliged as well to indicate in the SAR the date and time of the transaction, the name and the title of the person who performed the transaction, as well as the reasons for suspicion. The former governor of the NBM, Dorin Dragutanu, stated that during 2010-2014 Moldindconbank reported all such transactions to the OPFML. Thus, the AML supervisory authority may have been aware of the ongoing money laundering activities from the very beginning. For its part, the OPFML has authority to block any suspicious transactions and could notify the Prosecutor's Office about any reasonable suspicions of money laundering.

Supreme Council of Magistracy: The national supervisory authority of the judiciary is the Supreme Council of Magistracy (SCM). At the request of the SCM, the Judiciary Inspection investigates the suspicious activity of the judges liable for criminal prosecution. Accordingly, the Prosecutor General must request the permission of the SCM to initiate criminal proceedings against judges. Although the Laundromat started in 2010, the Judiciary Inspection submitted its report on the suspicious court rulings to the SCM only in April 2014. However, the prosecution of the complicit judges started much later. The Prosecutor General submitted the prosecution inquiry to the SCM in September 2016, i.e. more than two years after the scheme was over.

Moldovan authorities failed to act: The Laundromat scheme was constructed very ingeniously, because all the parties involved in the debt repayment claims were not contesting them. However, when a Moldovan citizen guarantees a debt worth hundreds of millions of dollars, that fact should have raised concerns about the reasons for such economic activity. Given the fact that the money laundering process was based on court rulings, the issue was under the responsibility of the General Prosecutor's Office and the SCM. The Prosecutor General had to submit a prosecution inquiry to the SCM regarding the judges who issued the court rulings. Respectively, the SCM's Judiciary Inspection had to perform the investigation of the judges and collect evidence regarding the court rulings issued as part of the Laundromat scheme. It should also be noted that during 2011-2012 the instrument of court rulings based on fake debts was used in "raider attacks" (hostile takeovers using illegal tactics) against the shareholders of Moldova-Agroindbank, Victoriabank, as well as other Moldovan banks and insurance companies.

The first investigative articles about the court rulings on suspicious debt recovery appeared as early as February 2012. Shortly after that, the Chief Anticorruption Prosecutor Viorel Radetchi stated that a criminal investigation was started based on an order of the Prosecutor General.

The first publicly available document issued by a Moldovan authority regarding the suspicious financial flows dates from July 2012, when a meeting of the SCS (Supreme Council of Security) took place. The minutes of the meeting were declassified in September 2015 by former President Nicolae Timofti. The meeting gathered all the supervisory and enforcement institutions, including the NBM governor, the Prosecutor General, the head of the National Anticorruption Center (NAC) and the deputy head of the Security and Intelligence Service. The SCS recommended the Prosecutor's Office and the NAC to promptly investigate the information provided by the NBM about the suspicious activity of money laundering. Following that, in December 2012 the SCM issued a decision related to one suspicious court ruling concerning a \$30 million debt, after the relevant information was provided by the Security and Intelligence Service to the Judiciary Inspection. The SCM noted that the judge issued the court ruling with multiple violations, including unauthenticated copies of the documents submitted to the court. The SCM notified the General Prosecutor's Office about this matter; however, no prosecution inquiry was submitted to the SCM.

Starting in at least February 2012, the prosecutors were aware of suspicious court rulings aimed at legalizing multi-million-dollar fake debts. By July 2012, all of the responsible state institutions were informed about the suspicious financial flows and recommended the Prosecutor's Office to investigate the issue. Nevertheless, the SCM conducted a thorough examination of the court rulings only in May 2014 and mentioned about a criminal prosecution that was opened on this matter. This happened only after the release of the first investigative article describing the proportions of the Russian Laundromat scheme. Even after that, no

measures were taken regarding the judges and judicial executors involved in money laundering. As mentioned above in point 3.3, the prosecution inquiry concerning the complicit judges was submitted to the SCM just over 2 years later. The prosecutors sent the cases to the court in February 2017. However, their examination has been postponed for more than 2 years. For example, there have been cases of claims being examined by a district court, by the Court of Appeal, and by the Supreme Court in less than 3 weeks, when those cases involve the interest of the Democratic Party's leader Vladimir Plahotniuc, a Moldovan oligarch and controversial political figure. When protests were organized outside his apartment on Bulgara 41 Street in Chisinau during the summer of 2015, a related claim was submitted to the district court on July 27, and the case went shortly up to the Supreme Court, which issued a decision already on August 12, 2015.

The role of the Moldovan political elites: All available evidence demonstrates that all the responsible state institutions were aware of the laundering scheme but did not take any measures to prevent it. Neither of the responsible persons addressed the press in order to raise the concern of the public and stop the fraud. Moreover, the authorities pretend that only \$20 billion was laundered, hiding the fact that the real amount of the fraud is \$70 billion, as the evidence shows. The overdue first reactions of public authorities came only in 2014, after the first information about the Laundromat scheme started to leak into the press. During 2010-2014, neither of the responsible state institutions mentioned anything in their annual reports about the suspicious money flows originating from Russia. A short notice about the staggering money laundering scheme appears only in the 2014 annual report of the OPFML. This well-coordinated activity could not have taken place without the political protection of the ruling parties.

The political influence over the supervisory and prosecution authorities: The so-called "pro-European coalition" that governed the country between 2010 and 2014 had signed a coalition agreement in December 2010. According to a secret annex to the agreement, the members of the coalition shared control over the supervisory and prosecution institutions that are supposed to be independent. Thus, the Democratic Party (DPM) controlled by Vladimir Plahotniuc obtained the control over the National Anticorruption Center and the General Prosecutor's Office. Other evidence shows that the NBM was also under the control of the Democratic Party. Dorin Dragutanu, the former governor of the NBM, has held several leading positions within the audit company PwC Moldova, including the position of country-manager for Moldova during 2003-2005. One of his subordinates was Andrian Candu, the Democratic Party MP and the former Speaker of the Parliament. Candu is also the wedding godson of Vladimir Plahotniuc. Before his resignation in September 2015, on the eve of the arrival of an IMF mission to Moldova, Dragutanu had a secret meeting with Candu. Furthermore, Otilia Dragutanu, the wife of the former NBM governor, has recently become an MP of the Democratic Party following the 2019 parliamentary elections.

Legislative changes that facilitated the money laundering: Sharing political influence over the supervisory bodies was not the only action taken by Moldovan political elites to protect the Laundromat scheme. During 2010-2011 the Parliament and the Constitutional Court approved several acts to change the legal framework, in order to facilitate money laundering schemes.

Legislative changes approved by the Parliament: *In March 2010 a bill was submitted to Parliament on capping the 3% tax for the examination of debt recovery claims. The bill was approved in May 2010, setting a threshold of 25,000 lei (or \$2000) for individuals and 50,000 lei (or \$4000) for legal entities. This amendment was not a coincidence. According to AML experts, the organizers of money-laundering operations charge a 3-4% commission for the legalization and transfer of "dirty money". The author of the bill was the former MP and Minister of Justice Alexandru Tanase.*

In June 2010 the Democratic Party MP Valeriu Guma submitted a bill to modify the AML (antimoney laundering) Law. The respective bill provided the courts the possibility to suspend the decisions of the OPFML to block the suspicious transactions. The bill was approved by the Parliament in April 2011. Later, in July 2014 this provision was cancelled by another amendment. The informative note to the 2014 amendment mentions that **the modifications approved by the Parliament in 2011 allowed for the execution of large scale money laundering operations, with the involvement of Russian economic agents and offshore firms.**

Legislative changes approved by the Constitutional Court: In June 2010 a referral was submitted to the Constitutional Court by the MP Valentin Chepteni, Veaceslav Platon's colleague within the Parliamentary faction of the AMN Party. The referral concerned the cancelation of several provisions of the Law on the National Anticorruption Center. The Constitutional Court approved the referral in November 2010 and annulled the right of the OPFML to suspend suspicious financial operations, although the judges Victor Puscas and Elena Safaleru gave a separate opinion on the Court's decision.

The Constitutional Court had its own role in approving legislative changes that facilitated the billion dollar theft. Thus, in June 2013 Serghei Sirbu, another MP of the Democratic Party, submitted a referral to the Constitutional Court and requested the cancellation of several provisions of the Law on the NBM and the Law on Administrative Litigation. The Court headed by Alexandru Tanase issued a positive decision in October 2013. This allowed the perpetrators connected to Ilan Shor to suspend the acts of the NBM through the decisions of the Moldovan courts. The aim of the perpetrators was to suspend the NBM regulation concerning the lending limits of the banks, in order to extract significant amount of funds from the three collapsed banks.

The responsible persons promoted by the Democratic Party: To date not a single person was convicted in this money laundering case. Moreover, two former members of the SCM were promoted. Corneliu Gurin, the former Prosecutor General and member ex-officio of the SCM during 2013-2016 years, together with Mihai Poalelungi, the former president of the Supreme Court of Justice and member ex-officio of the SCM during 2012-2018 years, were appointed as judges of the Constitutional Court in December 2018 by the Parliamentary majority controlled by the Democratic Party. In June 2019 the Constitutional Court issued several decisions to dissolve the legally elected Parliament, to remove a sitting President of the Republic and to replace him with the former Prime Minister Pavel Filip, the representative of the Democratic Party.

Alexandru Tanase, the author of the law bill eliminating the 3% tax for the examination of the debt claims, was later appointed to the Constitutional Court and served on the court until 2017. After that he was appointed to represent the Republic of Moldova in the Venice Commission of the European Council.

<https://www.watchdog.md/2019/06/17/the-russian-laundromat-a-70-billion-laundering-scheme-facilitated-by-the-moldovan-political-elites/>

2.3 TI-Moldova: Quality of Anti-corruption Policies and Working Climate in Central Public Authorities - Survey of Public Servants

Transparency International - Moldova initiated in 2019 a new phase of monitoring of public anti-corruption policies, part of this process being the interviewing of civil servants from 13 central public authorities (CPAs) and their subordinated entities with high risk of corruption.⁷

The purpose of the survey is to analyze the perceptions of the public servants on the activity climate and the quality of the anti-corruption policies applied in these institutions, to identify the possible problems and to formulate proposals to improve the situation. The survey was conducted with the support of the National Endowment for Democracy.

The survey was based on a questionnaire with questions regarding officials' awareness on the legislation on integrity and their personal experience in its application; subdivisions of the institution with high risk of conflicts of interest and corruption; the quality of the implementation of conflict of interests policies, transparency and objectivity in hiring staff members, meritocracy, eventual cases of discrimination, political pressures, use of the function in personal interests and so on; readiness to denounce corruption and collaborate in its prevention; proposals to improve the working climate. A number of questions allow comparisons of respondents' views on the application of anti-corruption policies during the Filip and Sandu governments.

The results of the survey remain relevant to the current government, as it reflects the views and expectations of ordinary officials who continue to work in institutions, regardless of political changes in management.

Interviewing period – October 2019, 643 respondents (33% of the staff of the central units of the authorities included in the survey).

The results of the survey attest that, despite the anti-corruption training attended by about 60% of the respondents and their high self-assessment (average 7.7 points out of 10 possible), the level of knowledge of the legal framework leaves much to be desired. Thus, only half of the respondents understand correctly that civil servants, like any other person, can have personal interests. Most examples of personal interests have a negative connotation, they represent deviations from the

⁷ Ministry of Justice (MJ); Ministry of Finance (MF); Ministry of Economy and Infrastructure (MEI); Ministry of Internal Affairs (MIA); Ministry of Education, Culture and Research (MECR); Ministry of External Affairs and European Integration (MEAEI); Ministry of Healthcare, Labour and Social Protection (MHLSP); Ministry of Agriculture, Regional Development and Environment (MARDE); Customs Service (CS); Center Customs Office (BVC); State Fiscal Service (SFS); Agency for Public Property (APP); Border Police (BP).

legislation, abuses, possible acts of corruption. The respondents do not understand sufficiently important notions for identifying and declaring conflicts of interest ("close persons", "consumed conflict" etc.), do not know what is the responsibility for violating the legislation etc. In this regard, a continuous familiarization of civil servants with the provisions of the anti-corruption legal framework is necessary.

The respondents noted a number of subdivisions of the institution in which they operate with increased risks of conflicts of interest and corruption, especially those that must be aimed at preventing them (among them legal directions, internal audit, institutional management). This should draw the attention of the management to the necessity of the authentic application of such public policies as the declaration of incomes and property, the conflict of interests, the meritorious promotion of the cadres, the ethics, the transparency and the responsibility in the use of the public means.

About 1/3 of the respondents who submitted declarations of wealth and interests faced problems in completing and submitting them, both technically, due to the malfunctioning of the electronic filing system, and because of the lack of knowledge of the method of reflecting in the declaration of some income / goods / assets. In this context, the National Authority for Integrity must take the attitude of the problems reported by the respondents, to ensure the functionality of the electronic system, to strengthen their own consulting capacities and to extend the training of officials in completing and submitting declarations of assets and interests.

Even though in practice conflicts of interest happen relatively often, less than 2% of respondents noted that they have been in such situations for the last two years. It is worrying that some of them claim that they did not declare them and no measures have been taken by the administration. At the same time, every tenth respondent indicated that he or she knows cases of conflicts of interest, abuses in the institution in which they work, including the employment and favoring of close persons, verification of affiliated companies, activity in the immediate subordination of relatives. Many of them also offered examples: "The employment of his own grandson by the ex-minister" "Involvement in projects and elaboration under the table of documents (MECC)," Facilitating smuggling "(PF); "Some of these situations have been brought to the attention of the management, but have not been resolved so far" (MEI) et al. The management of public authorities should focus on preventing and resolving conflicts of interest in the areas / subdivisions invoked by the respondents.

Even being hired by previous governments, the respondents find multiple improvements during the Sandu government. Thus, the share of respondents who consider that the authority in which they work has been politicized has been reduced from 51% (Filip Government) to 27% (Sandu Government); the hirings are made thanks to the political or family affiliations has been reduced from 46% (Filip Government) to 23% (Sandu Government); the cases when employees were promoted or awarded undeservedly were reduced from 36% (Filip Government) to 16% (Sandu Government); the use of institution's property for personal purposes dropped from 25% (Filip Government) to 13% (Sandu Government); cases of violation of the code of conduct were reduced from 26% (Filip Government) to 18% (Sandu Government). Nevertheless, there are individual observations and dissatisfactions of the respondents that refer to the insufficient communication with the employees; lack of professionalism within high ranked authorities, pressures on subordinates, discrimination of employees and other.

On average, about a quarter of respondents (24.6%) consider that in the institution where they operate there is corruption, slightly more than a quarter (27.2%) argue that there is no corruption and almost half (48.2) avoided answering the question. Among those who answered positively to this question, most corruption is perceived by the employees of SV (48%), PF (45.8%), MAI (29.3%).

Although the legislation obliges civil servants to report corruption cases and other abuses to the head of the public entity or to the authorized authority, a considerable part of the respondents (about 27%) are openly not willing to do it for reasons of personal security and lack of trust in empowered bodies. In this regard, coherent measures are needed to ensure the protection of integrity warnings. At the same time, effective prevention of corruption in the public service will not have a chance of success as long as the anti-corruption bodies will not have an impeccable reputation.

"Which of the branches of state power do you find most corrupt?" Over 70% of the respondents indicated the Judiciary as the most corrupt. This rather proves the understanding of the paramount importance of reforming the judicial system to combat corruption.

The results of the interview show that officials are not satisfied with the level of remuneration. On average, respondents would like for ordinary officials a salary of 1.7 times higher than the current average salary in the public sector; the salary of a chief executive - 2.3 times higher, and for a minister or agency director - a salary 3.3 times higher than average in the public sector, or 14.5 minimal consumer baskets. It is worth noting that officials in the central units of the Customs Service and State Fiscal Service would demand a significantly higher salary than in other central authorities, as this is not linked to a higher level of risks or unfavorable working conditions, but rather to opportunities for obtaining other incomes related to the occupied position.

Creating an atmosphere of trust from staff members, as well as the civil society, requires transparency in the administration of the institution. An act of transparency would be having the audit reports of Chamber of Accounts and the information on the measures taken by the authorities to implement the recommendations on the websites of public authorities. In practice, however, few public authorities make this information transparent. It should be noted that, on average, 82% of the respondents would be interested to know the results of the controls and audits carried out in their institution, the most interested in this respect being the officials from MECC (97, 6% of the respondents), MADRM (97.1%) and MF (96.8%).

91% of the respondents are satisfied with their communication with the immediate supervisor and 86% - with the administration of their institution. The state of affairs in some institutions should attract the attention of the leaders: in MADRM practically every third respondent is not satisfied with the communication with the management, in MEI and APP - every fourth, in the MF and MECC - almost every fifth. They are not satisfied with communicating with the direct superiors over a quarter of the MJ respondents, each eighth in the SV, each tenth in the MADRM, MEI, MF and APP. And the statements of the respondents confirm this fact: "We are ignored, discriminated against..." (MADRM), "The boss does not like me and makes me leave by any mean" (MJ), "My boss goes beyond his duties, allows himself to shout and obliges us to work extra if we ask to visit the doctor "(MJ); "The employee is not a robot at work! He is also a man, he has family and personal needs "(SFS).

The respondents seem to be more optimistic in assessing their own capacities to cope with the occupied position, compared to those of the direct head, regardless of the position in the hierarchical structure of the institution. Thus, over four out of five officials consider that they fully face the professionally occupied position. Regarding the assessment of these qualities to the immediate superior, less than three out of four officials support the same thesis. In the institutions profile, the most positive regarding the superiority of its capabilities, compared to the head, are those from SV with a gap of 21.1 percentage points (p.p.), MJ - by 20.7 p.p. and MADRM - with 20 p.p.

Civil servants understand the need for continuous education, requesting trainings on topics such as changes in the legal framework, integrity, foreign languages, protection of personal / state secret data, information technologies, conflict management and stress prevention. Respondents ask to be informed in advance about the training possibilities, including abroad and on the criteria for selecting candidates.

The respondents came with a series of proposals to improve the working climate, noting, as a rule, the need to increase wages, improve communication; staff supplementation; creating better conditions of activity, including: "The chief to be a leader, not a" начальник "(MECC); "Respecting career growth procedures according to individual performance and merit" (MAI); "Clear assignment of tasks, according to tasks" (MECC); "Liquidating Cumatism/Nepotism" (BVC); "Less political pressure" (BVC); "To allow the cummulation of work in public service and other fields" (MAI); "Creating more stable working conditions, the official must feel safe for the coming days" (BVC).

Most of the respondents addressed suggestions to their management, invoking the need to eliminate corruption; financial and non-financial motivation of staff members; transparency of appointment to positions; better working conditions; enhancing communication between management and employees, not accepting favoritism and other: "Stop politics!" "To respect the transparency in the appointment to management positions and the framework regarding the career evolution", to promote

young staff "(MAI); "Eliminating corruption from the system, promoting the competent people in the management and increasing the population's confidence in the institution" (SV); "Do not put pressure on the independent employees regarding your political views" (SV); "To take attitude towards the behavior of some bosses who stress the subordinates daily" (MJ); „Additional staff members, motivating them by awarding distinctions and prizes; opportunities for professional growth of employees "(PF); "To trust the professionals who are the institutional memory of the ministry" (MECC).

http://www.transparency.md/wp-content/uploads/2020/03/TI_Moldova_Monitoring_anticorruption_policies_in_central_public_authorities.pdf

2.4 TI-Moldova: Monitoring anti-corruption policies in central public authorities: access to information via public web-pages and transparency of decision making process

The Republic of Moldova ratified the United Nation's Convention Against Corruption (UNCAC) in 2007, being currently on the second stage of evaluation of several chapters of this Convention. Based on this, Transparency International – Moldova initiated a new stage of monitoring public anti-corruption policies with the aim to analyse the quality of allied policies in central public authorities (CPAs), identify eventual problems and work out recommendations for the improvement of these policies, including their regulatory legal framework. The Object of this monitoring are the policies that are part of the UNCAC: transparency of decision-making; access to information through public web pages; declaration of assets and interests; conflicts of interests; quality of petitioning system; transparency and accountability in the management of public finances.

The Subjects of this monitoring are 12 CPAs, including 4 subordinated entities with increased risks of corruption.⁸ The reference period is 2018-2019. The monitoring was supported by the *National Endowment for Democracy*.

The current summary presents in a sucking form the results of monitoring the first two above mentioned policies.

Methodological aspects: within the monitoring process the information from the CPAs' web pages and the government portals (data.gov.md, services.gov.md, careers.gov.md) were analyzed in terms of corresponding to the requirements of relevant normative acts, requested official information from the CPAs and confronted data from different sources.

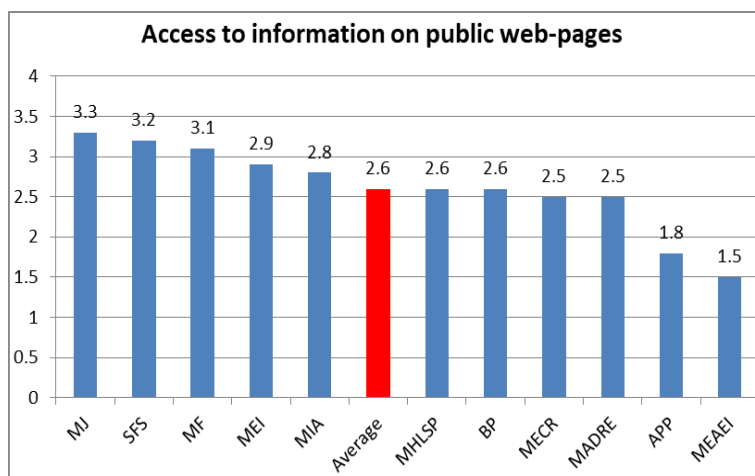
Following the analysis carried out, **summary tables** have been completed that reflect the current state of policy implementation for each monitored entity, include individual findings, proposals for improvement, allow comparing different authorities and take over good practices. Depending on the findings, the authorities were assigned scores on a scale from 0 (very bad implementation) to 4 (very good), with rankings being drawn on each policy.

Below is a summary on the main finding and recommendations of this monitoring.

Ensuring access to information through the web-pages of CPAs

The results of the monitoring conducted in 15.01– 20.02.2020 attest that the majority of CPAs largely comply with the content requirements for web pages. The best results in the application of the policy are at MJ (3.3 points), SFS (3.2) and MF (3.1), weaker - at APP (1.8) and MEAEI (1.5), the score average being 2.6 points. However, there are a number of issues in the implementation of the policy, including the legal framework, the mechanism for maintaining web pages and their content.

Legal framework: as a result of the changes in the legislation made in recent



⁸ Ministry of Justice (MJ); Ministry of Finance (MF); Ministry of Economy and Infrastructure (MEI); Ministry of Internal Affairs (MIA); Ministry of Education, Culture and Research (MECR); Ministry of External Affairs and European Integration (MEAEI); Ministry of Healthcare, Labour and Social Protection (MHLSP); Ministry of Agriculture, Regional Development and Environment (MARDE); Customs Service (CS); State Fiscal Service (SFS); Agency for Public Property (APP); Border Police (BP).

years, the obligation to place indicators on the web becomes outdated; some mandatory indicators are not sufficiently explicit, which creates confusion for the authorities; the requirements for publishing compulsory information are duplicated in different public policy documents.

The mechanism for maintaining web pages: Although the legal framework establishes the need for an internal regulation on the publication, updating and data security of on the web page, only half of the CPAs has such a document.

Presence on web pages of mandatory information: Although the monitored CPAs' web pages contain varied information on their activity, some important mandatory information is insufficient or missing:

- *activity reports* - about 60% of the authorities did not post them on the web (eg, for 2019: PF, MARDE, MHLSP, MECR, CS, MEAEI, APP). The latest activity report of the APP is for 2017, at MEAEI - the annual activity reports are missing;
- *implemented programs and projects, including technical assistance* - $\frac{3}{4}$ from the PCAs have not published any data on this matter (MEAEI, MIA, APP, MEI) or the published information is summary and not updated (MECR, MF, MHLSP, SFS, CS);
- *budgets* - although most PCAs publish planned budgets on the web, their execution data is often missing (eg, for 2019 - in $\frac{2}{3}$ of PCAs: MEAEI, MIA, MARDE, MF, MJ, MHLSP, BP, APP). The most recent data on budget planning and execution in BP are for 2014, in APP this info is missing;
- *the format of presentation the budgets is not uniform* - from aggregate data in some CPAs, to detailed information (including on programs / subprograms) – in others. *Sectorial spending strategies* are usually not published;
- *public procurement* - although annual procurement plans and changes to them are uploaded on web the pages (sometimes without the date and the reference to the order), reports on procurement results for all types of procedures are usually not included (e.g., for 2019 - about 60% of public authorities: MEAEI, MARDE, MEI, SFS, CS, BP, APP). $\frac{2}{3}$ of the authorities did not display the information on the composition of the working groups for procurement, some documents are not updated;
- *the results of the audits / controls* - although in 2018-2019 the monitored PCAs were audited by the Chamber of Accounts and, possibly, verified by other control bodies, $\frac{3}{4}$ from these authorities do not have their results on the web pages (MEAEI, MIA, BP, MHLSP, APP) or have summary information (MARDE, MECR, MJ, MEI);
- *the presence of the reports on the implementation of the Action Plan of the National Strategy for Integrity and Anticorruption* - most monitored authorities have not published them on their web-pages (for 2018: MEAEI, MIA, MARDE, MECR, MHLSP, MJ, APP). There are also deficiencies when publishing the reports for the implementation of the sectoral anti-corruption plans: the reports for 2019 were either not published (CS, MARDE - the agri-food sector), or some quarterly reports (MECR, MHLSP) were published, or only summary reports (SFS) were presented.

As far as the *presence of legal acts* are concerned, they are often scattered in different sections of the web pages, making it difficult to search them; there are references to repealed acts (eg laws on conflict of interest, petitioning, preventing and combating corruption).

It is worth noting that some *web pages that are in development do not contain archived data or references to the previous version of the page*. Some *information is placed under improper headings* (eg, the report on decision-making transparency - under the Statistics section, public procurement - under the Services section).

The authorities *do not usually comply with the requirement to insert the date of publication / update on the information on the web page*, except the announcements, the references to some internal reports / documents. *None of the authorities indicated the source of the information / responsible subdivision*, although some authorities have internal regulations that establish the persons responsible for providing the information.

On the *Open Data portal*, in the profile of the monitored authorities, a series of data sets are placed, *some of them not being updated* (eg those related to MADRM, MSMPS, MJ, PF activity). Only $\frac{1}{4}$ of the authorities have inserted on the web pages catalogs / updated lists of open data (MF, SFS, SV), ensuring access to such data.

Recommendations

On the regulatory framework: to exclude the obligation to place obsolete indicators on the web page; ensure that evaluation / progress indicators are as explicit as possible; to avoid, as far as possible, duplicating the requirements for publishing the same information in different public policy documents.

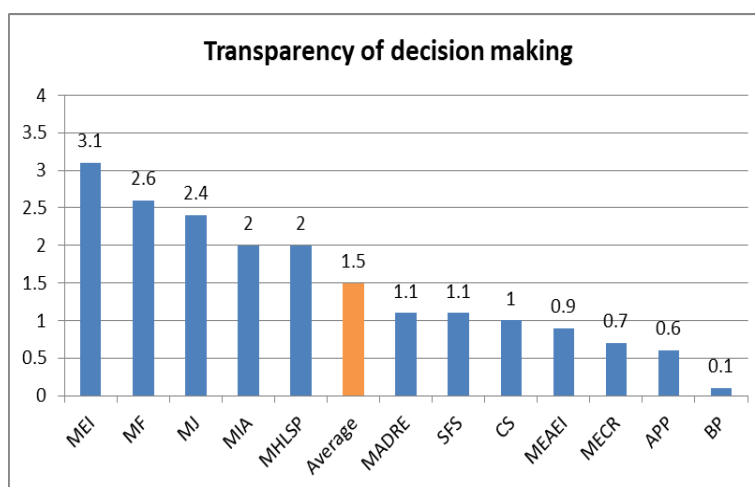
For public authorities:

- to elaborate regulations regarding the publication and updating of the materials on the web page, or, as the case may be, to supplement the existing internal documents with such provisions (possible sources of information - the regulations of the MIA, MJ, SFS);
- to upload on the web pages the mission/insufficient obligatory information, such as: the activity reports; execution of budgets; reports on procurement results (on all types of procedures); information about programs / projects, including technical assistance; reports on the implementation of the National Integrity and Anticorruption Strategy and, where appropriate, the sectoral anti-corruption plans; the results of the controls and audits;
- to upload on the web pages the catalogs of the Open Data, the lists of the services provided by the CPAs and their subordinated entities, to ensure their updating and the connection with the government portals www.date.gov.md, www.servicii.gov.md;
- to inventory the content of the web pages and exclude the information placed in the improper sections, as well as to ensure the archiving of the information / connection with the previous version of the web page;
- to ensure that the information on the web page includes references to the date of publication (the latest update, details) and the source of information (responsible subdivision).

Transparency in the process of decision making

According to the assigned scores, the monitored by 09.03.2020 entities were classified according to the diagram. The average score per policy is 1.5 points.

Even if all entities have succeeded in creating compartments dedicated to decision-making transparency on their web pages, they need to be developed. Moreover, MEAEI and MECR have limited themselves to ensuring, from the web pages, the access of the modules on www.particip.gov.md. In the case of BP, the compartment seems to be completely abandoned, the information has not been updated for several years.



Half of the monitored entities (MEAEI, MECR, MARDE, CS, BP, APP) did not ensure the adoption / availability of the internal rules regarding decision transparency. It should be noted that they are not always placed in the compartment dedicated to decision-making transparency (eg, MF).

The person responsible for coordinating the public consultation process is indicated only in 2 entities (MEI, MHLSP), whose web pages contain exhaustive information in this regard. In their entities, the information is either unavailable or confusing.

Only two entities (MF, MEI) have annual programs for drafting decisions, in both cases the programs do not materialize the projects that will be subject to public consultation. In the cases of other 5 monitored entities (MJ, MECC, MSMPs, MADRM, SV) certain information is contained in the annual activity plans, which, however, do not contain data regarding the projects that will be subject to public consultation. As for the other entities, the information is unavailable.

Regarding the announcements of the initiation of the decision making, 2/3 of the entities placed them on the web pages (MJ, MF, MEI, MIA, MARDE, SFS, APP). However, in the case of some entities, the advertisements do not always contain the elements established by law.

Regarding the announcements of withdrawal of a project from the elaboration process, only one entity (MEI) published on the web page such an announcement, which does not contain the placement date.

Only half of the monitored entities (MJ, MF, MEI, MIA, MEAEI, CS) placed on the web pages the announcements regarding the organization of the public consultation. However, it should be noted that ads do not always contain the required elements. Moreover, in the case of MJ, on the official website, for the year 2018 there is no announcement, and for the year 2019 – there is only one announcement.

All entities, with the exception of BP, have made draft decisions available on their web pages. As far as the related materials are concerned, in most cases, only informative notes are available. The situation is different regarding the decisions taken. Basically, all monitored entities, except MEI, do not pursue the purpose of the decision-making process.

A problem is also the unavailability of the results of the public consultation, all the entities having deficiencies in this regard. All entities are to be blamed for non-compliance with deadlines, non-identification and non-sanctioning of cases of violation of legal requirements.

Half of the monitored entities (MJ, MF, MEI, MIA, MECR, MHLSP) have the reports on transparency of decision-making process for 2018 on the web pages. No authority has published the report for the year 2019 within the period provided for in point 42 of the Regulation regarding the public consultation procedures with the civil society in the decision-making process, approved by point 1 of the Government Decision no. 967/2016 - the end of January of the year immediately following the reference year.

The information regarding the institutional telephone lines for informing the civil society is inserted on the web pages of 1/3 of the entities (MJ, MF, MEI, MHLSP), and the list of interested parties - to 1/2 of the monitored entities (MJ, MF, MEI, MIA, MHLSP, MARDE).

The legal framework in the field, even if it is not perfect and needs to be improved, offers the possibility of implementing the policy. Despite this fact, the authorities do not ensure true transparency in the decision-making process in some sensitive cases, such, for example, as "The Law of Capital Amnesty" and "The Law of Citizenship through Investment". However, it is worth noting that the most controversial legislative initiatives usually come from MPs. Moreover, in the process of promoting some bills, the Members of the Parliament seem to be used precisely to avoid the demands meant to ensure transparency of decision-making.

Recommendations:

Monitored entities are recommended to make additional efforts in implementing the policy, in particular:

- elaboration, approval and publication of internal procedures regarding transparency in the decision-making process;
- designating the persons responsible for coordinating the public consultation process with the civil society in the decision-making process;
- establishing the institutional telephone line for informing the civil society;
- elaborating, updating and publishing the list of non-governmental organizations by activity areas;
- elaborating and publishing in time the annual reports on transparency of the decision-making process;
- sanctioning for the violations of legal provisions meant to ensure decision-making transparency;
- developing on public web pages of the departments dedicated to decision-making transparency through information on: the internal rules regarding the procedures for information, consultation and participation in the decision-making process; contact information of persons in charge for transparency for decision-making process; programs (quarterly / annual) for drafting decisions, indicating which ones are to be submitted to public consultation; announcements (regarding the initiation of decision making; withdrawal of a project from the elaboration process; organization of public consultation); the draft decisions, their related materials and the decisions taken; the results of the public consultation (minutes of public meetings, summary of recommendations); the annual report on the transparency of the decision-making process.

http://www.transparency.md/wp-content/uploads/2020/03/TI_Moldova_Monitoring_anticorruption_policies_in_central_public_authorities.pdf

2.5 IDIS Viitorul: Evaluation Report Strategy for the Development of the Public Procurement System for the years 2016–2020

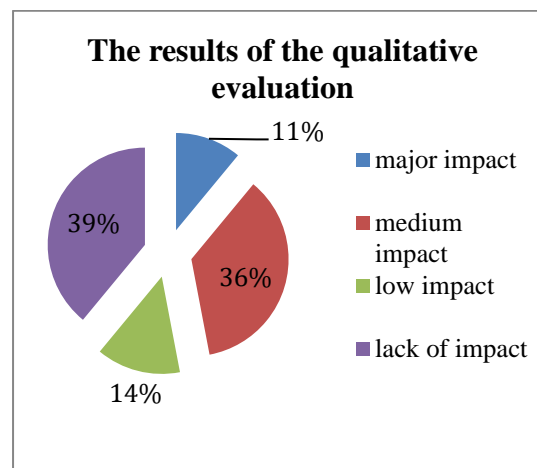
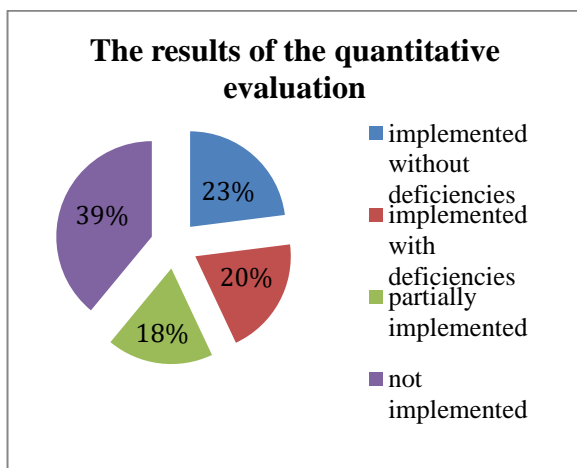
The evaluation report of the **public procurement system development strategy for 2016-2020** presents the progress on the implementation of the actions provided in **The Strategy Implementation Action Plan for 2016-2018** by using an evaluation methodology based both on quantitative indicators, in terms of actions accomplishment, and qualitative indicators, in terms of the changes achieved. Respectively, for the period 2016-2018, in the present report the authors have evaluated the degree of accomplishment of 44 actions included in 4 stages.

The quantitative evaluation shows that **only 23% (10 actions) were implemented without deficiencies**, while another **20% (9 actions) were implemented, but with deficiencies**. At the same time, **18% (8 actions) were partially implemented** while another **39% (17 actions) were not implemented**. At the same time, from among the actions accomplished with or without deficiencies - for **13 actions the execution deadline was respected**, while another **6 actions were implemented, but only after the deadline**.

The qualitative evaluation in the light of the changes accomplished as a result of the taken actions, the authors concluded that **only 11%** of these actions had a **major impact**, while **36%** of the actions had a **medium impact**. **Six actions (14%)** had a **low impact**, and in the case of more than one third (**39%**) of the actions, **the impact is lacking** altogether.

It is necessary to mention that the results of the evaluation were strongly influenced by the lack of progress in the implementation of the strategy with regard of the transposition of the **Directive 2014/23/EU** concerning the award of concession contracts, as out of the total of 7 actions to this end, **5** received the **unaccomplished** rating. A similar situation can be observed regarding when transposing the **Directive 2014/25/EU** concerning the purchases made by the entities that operate in the water, energy, transport, and postal services sectors, where all the **9 actions** have been marked as **unaccomplished**.

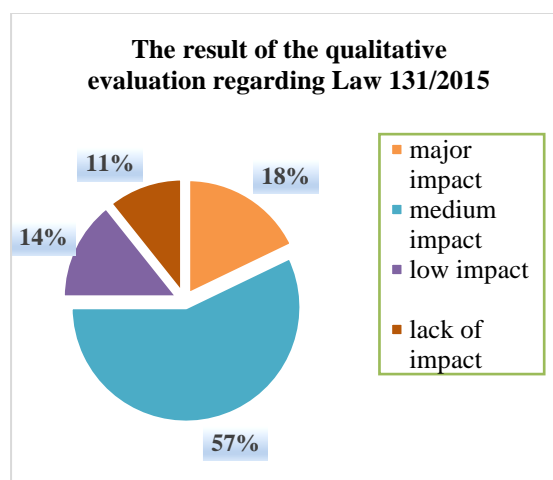
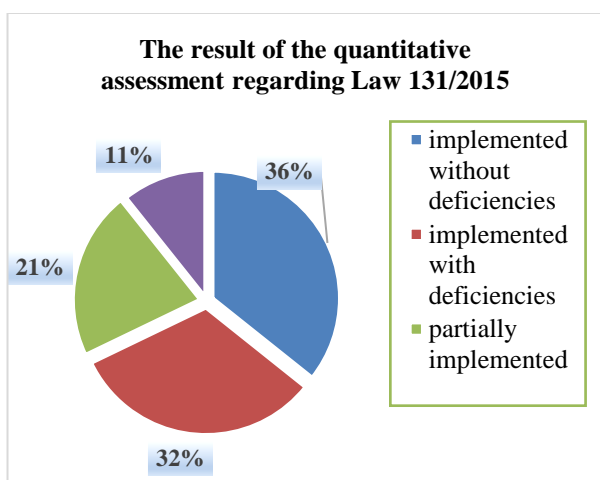
The table below shows that the progress regarding the implementation of the Action Plan for the implementation of the **public procurement system development strategy for 2016-2020** can be considered modest.



If we, however, refer to the public **sector of public procurement** as regulated by Law 131/2015, while at the same time the question of utility procurement and concession contracts, we note a **higher progress** compared to the general results regarding the implementation of the Strategy:

The quantitative assessment shows that more than one third of the actions (**36%**) were implemented without deficiencies, while another **32% (9 actions) were implemented, but with deficiencies**. At the same time, **21% (6 actions) were partially implemented** and another **11% (3 actions) were not implemented**. At the same time out the total number of actions that have been executed both with or without deficiencies, for **13 actions the deadline was respected**, while another **6 actions were implemented after the deadline**.

For the qualitative evaluation in the light of the changes produced as a result of the actions taken, the results show that only **18%** of those actions had a **major impact**, more than half (**57%**) of the actions had an **medium impact**. A low impact had **4 actions (14%)**, and in the case of **11% of the actions**, there is a complete **lack of impact**.



The main achievements of the actions taken in the period 2016 - 2018, and which are:

- The harmonization of the national legislation for classic public procurement with the provisions of the European directives, especially with the Directive 2014/24/EU on public procurement;
- The development of the electronic procurement system facilities;
- Establishment of the National Agency for Complaints Settlements as a functional specialized body for examining and resolving appeals;
- Organizing of training and developing the necessary instructions for the actors involved in the procurement process.

The main deficiencies in the implementation of the aforementioned Strategy and its plan are the following:

- Lack of a dialogue mechanism between the responsible public institutions;
- The normative-secondary legal framework is incomplete and requires harmonization with the primary legislation regarding classical public procurement;
- The electronic procurement system does not ensure the integral conduct of the whole procurement process;
- Lack of a certification system for procurement specialists;
- Lack of actions to develop a centralized procurement system;
- Lack of the legal secondary-normative framework for concession contracts that would be harmonized with the primary legislation;
- Lack of legal framework for transposing the directive on the utilities sector.

As a result of the identified deficiencies, the authors formulate a **series of proposals**, among which we highlight the most important as the following:

- The establishment of an efficient and permanent dialogue mechanism between the responsible institutions, to clearly define the roles and responsibilities for each institution;
- The approval by the government of the normative acts necessary for the implementation of Law no. 131/2015. Priority should be given to the Regulation on the procurement of public works, the Regulation on the activity of the procurement working group, the Regulation on public procurement using the negotiation procedure, and to the Regulation concerning the framework agreement.
- The elimination of deficiencies in the electronic procurement system by ensuring the functionality of an entirely electronic procurement process. The development of the electronic procurement system for the use of different types of procedures (in this case: the framework agreement and the restricted auction) and of different techniques and tools (in this case: the electronic catalogs). At the same time, it is imperative to develop the Business Intelligence module for generating statistical reports and for identifying the risks of fraud and corruption to encourage the performance of the monitoring and control functions by the competent institutions as well as by the general public.
- The development of a national certification system in the field of public procurement following the establishment of partnerships with the relevant academic institutions.

- The elaboration of the secondary legal framework for concession contracts, in particular, the Regulations on the way of organizing the concession award procedures and the Regulations regarding the activity of the concession award commission.
- The development of the legal framework for the transposition of the directive on the utilities sector.

http://www.viitorul.org/files/Eval_Report.%20Strategy%20for%20the%20development%20of%20the%20public%20procurement.pdf

2.6 IDIS Viitorul: Monitoring the Sectorial Plan for Anti-Corruption Actions in the Field of Public Procurement for the Years 2018-2020

The monitoring report of the Sectorial Plan of anti-corruption actions in the field of public procurement describes the progress regarding the implementation of the actions foreseen in the Plan for 2018, and this goal is using an evaluation methodology based on both quantitative evaluation indicators and qualitative indicators in terms of accomplished changes. The authors of the report evaluated the degree of accomplishment of 12 actions, with 11 of them being foreseen for the year 2018, while another one having a continuous and permanent character.

Following the analysis of the deficiencies and shortcomings identified for each envisaged action, the valuers have formulated a series of recommendations and policy proposals for the responsible authorities. The proposals aim to eliminate the shortcomings and deficiencies identified in the monitoring process, to increase the impact of the taken actions in terms of reducing the risks of corruption and fraud, and to improve the quality of anti-corruption policies in the field of public procurement.

The results of the quantitative evaluation show that only 16.7% (2 actions) were implemented without deficiencies, while another 33.3% (4 actions) were implemented, but with deficiencies. At the same time, 25% (3 actions) of the total number of actions were partially implemented and another 25% not implemented. Regarding the qualitative evaluation in the light of the changes accomplished as a result of the actions taken, the results show that only 8.3% of them had a major impact, while half of the actions had a medium impact (50%). A low impact had 2 actions (16.7%), and in the case of 25% of the actions, there is a complete lack of impact. The progress on the implementation of the Sectorial Plan of anti-corruption actions in the field of public procurement can be considered modest.

The most important accomplishments of the envisaged actions mainly concern the transposition into national law of the main elements of the European directives, the introduction of electronic procurement, the introduction of new award criteria with emphasis on qualitative aspects, the introduction of the European Single Procurement Document - ESPD, the development of a new system for resolving complaints, the establishment of a specialized dispute resolution body and the elaboration of several instructions and guides necessary for the actors involved in the procurement process.

In parallel, the monitoring process has revealed **several shortcomings and deficiencies in carrying out the envisaged actions and obtaining the expected results**. The main deficiencies are related to the legal secondary-normative framework being incomplete and not harmonized with the primary legislation; an electronic procurement system that does not ensure the functioning of an entire procurement process by electronic methods, especially at the execution stage of the procurement contracts and of the additional agreements; the lack of a national training program in the field of public procurement; the lack of actions in the sense of developing a centralized procurement system in certain fields; last, but not least the evaluators have identified as a major shortcoming the dispersed and insufficient actions taken in order to strengthen the capacities of the actors involved in the procurement process.

As a result of the identified deficiencies, a **series of proposals were formulated**, the main ones being:

- To review and improve the mechanism of dialogue between the responsible public institutions, so that it becomes effective and permanent, with clear roles and responsibilities defined for each institution;
- The approval by the Government, as a priority, the normative acts necessary for the implementation of the provisions of the Law on public procurement (which was modified essentially in 2018), these being: the Regulation on the activity of the procurement working group, the Regulation on public procurement of works, the Regulation regarding public procurement using the negotiation procedure, the Regulation on the framework agreement.

- The revision and improvement by the Ministry of Finance of the standard form of the European Single Procurement Document, both in form (appropriate numbering) and content (excluding references and instructions in the form).
- To develop the electronic procurement system to ensure the entire conduct of the public procurement process through electronic means, transparency at all stages of the procurement process and in particular at the stage of contract execution, as well as the development of the BI mode necessary for analyzing and monitoring public procurement.
- To develop a national training program in the field of public procurement.
- To approve of the secondary normative framework regulate in detail how the provisions regarding the outsourcing of public procurement services will be applied (roles, degree of involvement, responsibilities, the responsibility that may arise, etc.).
- To revise the legal framework and ensure the transparency of the execution stage of public procurement contracts and additional agreements.

<http://www.viitorul.org/files/Monintoring%20Report.%20ANTI-CORRUPTION%20ACTIONS%20c.pdf>

2.7 IDIS Viitorul: Policy Analysis – Constraints on the Use of MTender Public Procurement Electronic System

In January 2017, the Ministry of Finance in collaboration with the EBRD launched the pilot mode of the new electronic public procurement system - SIA RSAP MTender (hereinafter MTender). While the system operated in this pilot mode, the authorities had the possibility to test its functionality on low-value procurement procedures, this being a stage which preceded the implementation of the electronic instrument for the high-value purchases. The decision to use the system for small purchases belonged, with some exceptions, to the contracting authorities.

The main purpose of implementing the new electronic procurement system "MTender" was to increase transparency in the public procurement process, to ensure adequate value for public money, to improve the access of small and medium-sized enterprises to the public procurement market and implicitly the level of competition, but also to reduce the trading costs for all parties involved, thus contributing towards ensuring a competitive and sustainable national public procurement system.

The basic objectives underlying the implementation of the "MTender" system were:

- **increasing transparency and preventing corruption** and corruptible acts during all stages of the public procurement process, beginning with its planning and to the final execution of the public procurement contract, including all related payments;
- **increasing the efficiency and the value of the quality/price ratio** in public procurement processes;
- **reducing transaction costs** for all stakeholders, especially for small and medium-sized enterprises;
- **implementing a competitive and sustainable model of an electronic procurement system**, with low maintenance costs and scalable, to meet the needs of citizens and of the state.

After about 10 months of implementation of the MTender system, users face a number of challenges in the process of awarding public procurement contracts. The challenges are based on the mismatches between the technical functionalities of the system and the legal provisions and those of the secondary-normative framework that was not approved after the latest amendments to Law 131/2015, but also due to the fact that the system does not ensure the electronic conduct for the entire procurement process, thus doubling the efforts of the participants. and discouraging the economic operators from entering the public procurement market.

Taking into account the findings mentioned in the previous chapters and in order to eliminate the current constraints faced by economic operators in the process of participating in the public procurement procedures, the following actions are required:

I. The general:

- Elimination of inconsistencies between the functionalities of the MTender system and the legal framework, either by adjusting the system to the legal provisions, or, where appropriate, by amending the legal framework in accordance with the technical aspects of the system that were not provided for in the last amendments of Law 131/2015. The lack of clear game rules and the mismatches between the system and the legal framework are a major constraint in the way of the proper functioning of the

procurement system and for the active participation of economic operators in the procurement procedures.

- Speeding up the approval of the secondary regulatory framework which, after the amendment of the Law 131/2015 in 2018, requires modifications and adjustments. Under the current conditions and in the absence of law enforcement regulations, there arise interpretations of this law as well as an increasing number of filed appeals and, as a result, delays in the procurement process with negative effects for both the authorities and the economic operators involved in the public procurement procedures.
- Speeding up the implementation of the technical functionalities of the MTender system stipulated in the Technical Concept and in the Regulation regarding the way of keeping the State Register of public procurements formed by the automated information system "The State Register of Public Procurement" (MTender)
- Ensuring the integral conduct of the public procurement process by electronic means (from the planning and until the management of the procurement contract) through the MTender system and eliminating the current burden on the contracting authorities and economic operators who are required to elaborate manually a series of documents, in order to be able to upload them later on into the system.
- Ensuring the integration of the system with the state information resources and with the relevant and available government electronic services in the Republic of Moldova in order to facilitate the access of the economic agents to the market of public procurement, especially of SMEs, which would generate more competition and efficiency as a result of the significant savings.
- Development of the Business Intelligence (BI) analysis mode as an integral part of the MTender system that will allow both economic operators, the civil society and the general public to analyze the opportunities in the procurement market and to monitor public procurement, thus contributing to the efficiency of the procurement system and to the reduction of the fraud and corruption in the system.

II. Technical:

- Electronic generation of the announcements (notice of intent, notice for participation, notice of award), of the awarding documentation, tender documentation, of the ESPD, of the awarding decision, of the report, of the procurement contract, of the additional agreements to the contract, in accordance with the concept technical.
- Modification, in accordance with the legislation in force, of the minimum terms for clarifications and submission of the offers pre-set by the system so as to prevent abuses by the contracting authorities.
- Ensuring the proper display in the system of the list of lots according to the order set by the authority in the awarding documentation;
- Introducing the possibility of selecting CPV codes from different categories to make it possible to carry out mixed procurements in the system according to the provisions of Law 131/2015;
- Introducing the verification of the availability of the financial resources in the accounts of the authority at the beginning of the procurement procedures, something that would eliminate the issue of procurements that do not have financial coverage as well as all its consequences.
- Ensuring the notification of the economic operators who have submitted an offer whether or not their offer has been successfully submitted.
- Ensuring the secure (encrypted) submission of offers by defining the way to implement the secure submission of the offer (architecture, technologies, participants, developer, etc.);
- Organizing discussions with commercial banks in order to define a mechanism for issuing electronic bank guarantees and their implementation terms.
- Ensuring the delivery of the confirmation regarding the completion of the process of awarding the public procurement contract so as to exclude certain confusion of the economic operator but also of the general public.
- Ensuring the electronic registration of the contract with the Treasury through the Treasury's information system. Currently, the registration of contracts on paper creates major constraints and delays the procurement process;
- Ensuring the possibility of editing / adjusting a contract in which errors have been identified and which the Treasury does not accept for registration.
- Introducing the possibility of modifying the procurement contract at its execution stage (additional agreements for the increase or the decrease of value, as well as for the extension of the execution term) according to the provisions of the Law 131/2015.

<http://www.viitorul.org/files/EN-Constraints%20on%20the%20use%20of%20MTender%20public.pdf>

2.8 IDIS Viitorul: Policy Analysis How Does the European Single Procurement Document Facilitate the Public Procurement Process?

European Single Procurement Document (ESPD) it is an instrument instituted at the EU level by the EC regulation no. 7/2016, that facilitates the participation of economic operators in public procurement procedures and reduces administrative burdens for authorities.

Under national legislation (Law 131/2015), it must be used both by contracting authorities and by the economic operators participating in the awarding procedures (depending on their status in the procedure - candidate, bidder, third party supporter, subcontractor). Thus, Art. 65 (4) of the Law 131/2015 stipulates that the submission of the bid entails the submission, in a common set of documents, of a technical proposal, a financial proposal, of the ESPD and, where appropriate, of a bid guarantee. At the same time, according to art. 20 (1) of the abovementioned law, at the time of submission of tender participation request, the contracting authority will accept the ESPD, which consists of an up-to-date statement as a preliminary proof, instead of the certificates issued by the public authorities or by third parties in confirmation that the economic operator fulfills the following conditions: a) it is not in any of the situations of exclusion mentioned in art. 19; b) meets the capacity criteria as requested by the contracting authority; c) if applicable, that it meets the selection criteria set by the contracting authority in accordance with the provisions of this law. In order to implement these rules, the Minister of Finance issued Order no. 177 of 09.10.2018, approving the standard ESPD form.

The ESPD is not just a document, as it is perceived by users (contracting authorities and economic operators). It is a new concept in public procurement, designed as a one-time-only instrument. The concept requires the submission of the economic operator's qualification documents only once, or that this information should be accessed online by integrating with the national databases. The majority of the constraints on the use of ESPD, for both economic operators and by authorities, are generated by the novelty of this instrument which is new not only for the Republic of Moldova but also for the EU. Respectively, like any novelty, it needs time to be understood and used correctly, and then, as a result, the positive effects on the procurement process will become visible and tangible to all actors involved in the procurement process. As highlighted in this document, in no EU member states, nor in the Republic of Moldova, is there any possibility to fully integrate the ESPD to public databases, some of which are not yet available while other have a restrictive access regime, in particular those databases and registers relating to those conditions which disqualify the bidder from the procurement procedure. In the Republic of Moldova, ESPD is currently being used on paper, which generates errors both from contracting authorities and from economic operators.

These errors are explained by the complex document format, the unclear structure, imprecise or repetitive questions, and unclear instructions for completion for each of the parties. These errors lead to disqualification of bidders, appealing procurement procedures, delaying the procurement process, or even causing the cancellation of procurement procedures. The lack of understanding of the concept and role of the ESPD by contracting authorities creates constraints for economic operators in the bidding process. Although the ESPD was introduced into the public procurement system of the Republic of Moldova in 2018, the practice shows, however, that contracting authorities often continue to require economic operators to submit, as part of the offer, both the ESPD form and all the qualification documents. Thus, a misunderstanding and misuse of the ESPD generate the increase in workload which requires additional resources (human, financial). In this case, the economic operator is being confused with regarding the proper preparation of the offer. On one hand, the tender documentation in which these requirements are laid down is mandatory and, on the other hand, the express legal framework provides that the tender will contain the technical proposal, the financial proposal, the ESPD and, where appropriate, the offer guarantee.

As a result of these challenges in the proper use of the ESPD, and in order to increase the access of the economic operators to the public procurement market, to strengthen competition and the efficiency of the process, we come up with the following policy proposals for public procurement decision-makers (Ministry of Finance, Public Procurement Agency, National Agency for Solving Complaints). First, it is necessary to revise the standard ESPD blank currently in force, both in form and content. Concerning its form, the appropriate numbering of sections and subsections should confer clarity and consecutiveness. It is also necessary that the references and instructions on the form POLICY ANALYSIS HOW DOES THE EUROPEAN SINGLE PROCUREMENT DOCUMENT FACILITATE THE PUBLIC PROCUREMENT PROCESS? 15 itself be excluded, as they create confusion when filling in. The filling in instructions for each point will be developed separately, as explained above. In terms of content, the instrument needs to be adapted to national terminology and legislation, both in the field of public procurement and in the areas to which the question refers. To exclude filing errors, it should be ensured that confusing information and repetitive questions are excluded.

In the long run, to improve the ESPD form, it is advisable to ensure that it continually adjusts to changes in the legal framework, but also to user feedback from contracting authorities and economic operators.

Secondly, it is also necessary to amend a confusing legislative provision that refers to the stage at which the contracting authority can request the documents related to ESPD from the economic operator whose bid is being examined. The Law 131/2015, Article 20 (7) provides that the contracting authority may require bidders to submit all or some of the supporting documents as evidence of the information contained in the ESPD at any time during the procurement procedure public if this is necessary to ensure the proper conduct of the procedure. This rule is confusing and generates discretion, as a contracting authority can invoke it to apply it for all ESPD-related qualification documents at the stage of submission of bids. Therefore, it is recommended to amend the paragraph with the words "after the opening of tenders".

Thirdly, it is necessary to draw up an instruction on the use of ESPD, separated from the form itself, and focusing on the following elements: – The validity of the documents - i.e. when they must be made available? At the time of the submission of the documents? When the bids are opened in the case of electronic auctions, or when the documents are submitted by the economic operators at the request of the contracting authority, at the examination and evaluation stage? – ESPD re-use mechanism - it is necessary to explain and clarify the mechanism of re-use of the ESPD, thus avoiding the current misinterpretation by both contracting authorities and economic operators. – The mechanism of using the documents presented above, according to the "one-time-only" principle.

Finally, in order to fully benefit from a tool that de jure and de facto facilitates the procurement process, it is necessary to implement the ESPD electronically as well as to integrate it with the electronic procurement system and national databases for the purpose of automated data integration, at least in part, where available. This will remove a large part of the current filing errors, considerably reduce filing time, allow data re-use, as well as the pre-filing of the blank and the automated data exchange between different databases. In turn, both authorities and economic operators will benefit from automated services, facilitating the implementation of the ESPD in the procurement process.

<http://www.viitorul.org/files/Policy%20analysis.pdf>

2.9 Institute for Urban Development: Alternative Report on Monitoring the Implementation of the Sectoral Anti-corruption Plan in the field of Administration and de-Nationalization of Public Property

The scope of the Study is to monitor and evaluate the implementation of the actions planned in the Sectoral Anti-corruption Plan on the field of administration and denationalization of public properties for the period 2018-2020, to identify the progress and difficulties in the process of implementing the Action Plan and to formulate recommendations on its subsequent implementation.

The monitoring activities were carried out between August 2019 - February 2020. The elaboration of the Alternative Report was based on the Alternative monitoring Methodology of the implementation of the National Integrity and Anticorruption Strategy, evaluating the level of achievement of the planned Actions and the Progress Indicators. Also, the progress in achieving the estimated results and the objectives of the Priorities of the Sectoral Plan was estimated by the implemented Actions.

Following the monitoring activities, it was found that, concrete interventions for the implementation of the actions planned in the Sectoral Plan were carried out by all the entities responsible for implementation. At the same time, almost two years after the start of the SP implementation, most of the planned actions are carried out with delays and two actions have not yet been started. For the period June 2018 - February 2020 in the Action Plan of the SP, 21 Actions were planned, which have 34 Progress Indicators. Of the planned actions only 3 were "Fully Realized" (14%), 16 are "Partially Realized" (76%) and 2 were "Not Realized" (10%). Regarding the Progress Indicators - 4 of them were *Achieved In Time* (12%), 22 are *In Progress* (65%), and 9 were *Achieved beyond the deadline set* (23%).

The main conclusions of the monitoring attest that most of the actions and expected results established by the Sectoral Plan are not achieved. The activities are predominantly permanent and implementation itself is slow.

A large part of the public property (over 40%), respectively the property right over them, are not yet adequately inventoried and registered in the Register of Immovable Property. Every year thousands of new real estate assets are identified by the responsible entities, of which most (over 60%) fail to register properly. The program

of delimitation, evaluation and registration of public heritage started, in 2019 but has a period of implementation of several years, until 2023. The inventory procedure, due to the shortage of staff and time is realized has a more formal character, about 20 % of goods remain un-inventoried. The Court of Accounts in its reports attests great damage in case of defective inventory of immovable property within public entities or subordinate companies. There continues to be a lack of human, technical and financial resources in this regard, which also affects the process of adequate monitoring of the assets transmitted in economic administration.

The modification of the relevant legislation to improve the normative base regarding the management of the public patrimony is done but at a slow pace. The state of affairs in this area has many gaps, respectively, which would need to increase the pace of modification and improvement of the legislation. The modifications made are made with minimal involvement of the civil society, the local public authorities, the representatives of the State Enterprises and the State JS Companies.

Ensuring the transparency of the information about the State Enterprises and State JS Companies with full or majority state capital is hampered by the lack of information or presentation in the public space of some brief information.

The training activities of employees of state-owned enterprises and State JS companies with full or majority state capital are carried out with syncope. For the most part, the trainings organized by the authorized institutions invite public officials within the Central Public Authorities. Employees of state-owned enterprises get training in a very small number. Thus, the training activities have little impact.

The process of implementing the specialized registers (registering declarations regarding conflicts of interest, registering gifts and cases of inappropriate influence, etc.), is made more formal.

Elaboration and implementation of corruption risk registries, integrity plans, the Corporate Ethics Code and the Integrity Rules for transmitting the public patrimony in economic management and training the leaders of the State Enterprises and State JS Companies with full or majority state capital in their application, as well as the Code of corporate ethics and governance within the framework of these entities are late.

The main recommendations of the Study are:

- The Sectoral Plan shall enter into the evaluation, revision and updating procedure in order to adjust the planned actions with the problems identified in the diagnosis Chapter, to revise the implementation terms and to include other relevant actions.
- The Central Public Authorities and the subordinated institutions must intensify the process of registering state-owned assets to a maximum extent so that the number of state-owned assets not registered in the Register of immovable property is reduced.
- Elaboration and approval of an instruction or modification of the regulation regarding the procedure for carrying out the activities of monitoring the patrimony transmitted in the location so as to clearly and univocally regulate the way in which the control of public property management is carried out.
- Increasing the Academy of Public Administration's capacities to train internal auditors / auditors in the public sector, with an emphasis on State Enterprises and State JS Companies and to identify the possibilities for increasing the number of persons trained in the case within the State Enterprises and State JS Companies and extending the content of the training programs.
- Promote the process of improvement of the legal framework relevant to the field of administration and denationalization of public property and the diversification of the instrument and methods of public consultation and involvement of civil societies, experts in the field in the elaboration of the draft normative acts in the field.
- Offering the informational and institutional support in establishing and recording the Registers of the declarations regarding conflicts of interests, of the Registers of the gifts and of the cases of inappropriate influence. (vii) Elaboration and approval by a legal norm of some standard models of the registers of corruption risks and integrity plans.
- Approval and application in practice of a model code of ethics and corporate governance, which could be taken over and adapted by the State Enterprises and State JS Companies with full or majority state capital.

<http://idu-moldova.org/2020/02/24/monitorizarea-planului-sectorial-anticoruptie-in-administrarea-si-deetatizare-proprietatii-publice/>

2.10 IDIS Viitorul: Monitoring Report Transparency of Public Capital Enterprises (state-owned enterprises, municipal-owned enterprises and of whole and majority state-owned or municipal-owned enterprises)

The monitoring of Moldovan enterprises with public capital shows a low level of transparency and disclosure of information regarding their organisation and work. Although the largest and most important Moldovan undertakings were subject to evaluation, their overall average slightly exceeded 17% out of a maximum of 100. For comparison, the overall average of enterprises from other countries, monitored in parallel, exceeded 58 percentage points.

The undertakings with public capital show certain openness in terms of Economic Indicators. Thus, 29% of the monitored undertakings published on their Website the 2017 reports, while 43% published some information and economic and financial results, having disclosed such indicators as the net profit, sales revenue and other indicators related to enterprise activity.

Despite the uneven interpretation of the legislation on access to information, circa 1/3 of the monitored undertakings responded to the questionnaire circulated by IDIS “Viitorul”, while 28% of undertakings responded to the request of an individual and provided the information requested by that individual.

At the same time, the undertakings do not make public the core information such as their Charter, published only by nine undertakings subject to monitoring on their Websites. Consequently, the information on the undertaking Founders/Owners/Shareholders and the percentage of their shares/holdings was published by 26 undertakings. The public is not informed about the outcomes of the meetings held by the undertaking management bodies, as only some incomplete information was published by two undertakings subject to monitoring.

The public procurement carried out by the undertakings is an area lacking transparency. Thus, about 93% of the monitored undertakings do not publish the notices of intent (public procurement plans), 73% of them failed to publish notices of invitation to public procurement tenders and none of them used the electronic platforms for procurement procedures in 2017. Moreover, the undertakings did not make public the procurement results, nor did they publish the awarded public procurement contracts.

The undertakings with public capital do not disclose the information regarding the assets (land plots and real estate) they manage or own. Therefore, only six undertakings subject to monitoring published on their Website some information on rental of spaces managed by them.

Circa 3/4 of the monitored undertakings do not publish any job vacancies on their Website, and only one enterprise published on its web page the selection results to fill the job vacancies in 2017. At the same time, only three undertakings stated in their yearly reports the salary range of their Administrator and the allowances paid to the management board members, while four undertakings displayed incomplete information to this end. Further, circa 90% of the monitored undertakings provided no information about the income earned by the management body members.

Following the monitoring, three undertakings were identified to develop and publish a Code of Ethics for their employees. Only one monitored enterprise developed and published anti-corruption programmes, covering provisions related to frauds, conflicts of interests, and other risks. Likewise, none of them published a Corporate Governance Code on their Website.

As for “Grants and Sponsorships”, the Moldovan undertakings with public capital scored zero points.

Recommendations

Based on the results of monitoring the transparency of undertakings with public capital, a number of recommendations have been laid down to help the undertakings become more transparent. These recommendations are easy to implement, as they require the companies to publish the information they have already available. The recommendations are presented as per the transparency areas assessed in this report.

Economic Indicators

- The undertaking annual activity report is one of the important documents, which needs to be made public, while its structure shall be aligned with the national and international best practices. This action implies presenting analytical information and detailed description of undertaking core activities, having appraised the achieved results.

- The undertaking Performance Indicators are of public interest, and the undertakings shall publish the information and economic and financial outcomes, having described the derived profits, incurred losses and other activity-related indicators.
- It is appropriate to publish and update the information on enterprise borrowing/lending activity (if any) on their Website on a yearly basis. This information shall be clear and detailed, avoiding the simple display of figures in the annual economic and financial analyses.
- The outcomes of inspections and economic and financial audits the Moldovan undertakings with public capital were subject to shall be made public.

Transparency and Access to Information

- It is worth mentioning the importance and the need to have Websites in place to be filled and updated on a permanent basis, as they serve for the undertakings with public capital as an efficient tool for the dissemination of public information.
- The undertaking Websites shall comprise such mandatory information as Administrator's and responsible people's contact data, enabling the public to solicit information/submit requests to undertakings.
- It is necessary to publish the undertaking Charter on its Websites – a core document developed upon the company establishment, which defines the types of activity, the share capital, the assets transferred to the undertaking, management bodies, the way of sharing and using the net profit, the way of covering the losses, the way of reorganising and winding-up the undertaking, and other important provisions related to its activity.
- The undertaking Website shall contain information on its Founders/Owners/Shareholders and the percentage of shares/holdings they have.
- It is important to publish on the Website the topics covered during the meetings held by the Management Board/General Assembly, entered into decisions and minutes.
- It is recommended that the enterprises publish documents on their Website, especially their annual reports, in a format enabling the public to search for and copy texts from those documents, having facilitated in this way the use of public information.
- It is important that the undertakings with public capital are open, comply with the legislation on access to information, respond to the submitted requests and provide the information requested by individuals, legal entities, Media and other stakeholders.

Public Procurement and Property

- It is recommended to make public the annual public procurement plans (notices of intent) and to publish all notices of invitation to public procurement tenders on their Websites.
- It is advisable to make public the acts by which working groups were established in the area of procurement (Procurement Committees) and their composition.
- The trend is that all public entities use electronic platforms for public procurement procedures. Even though they were not used throughout 2017, they may be used in the subsequent years.
- It is recommended that the enterprises make public the concluded public procurement contracts, having disclosed such mandatory information as: the procurement object and value, economic operator, date of conclusion and duration, information about contract revision/prolongation. It is important that citizens are able to easily find a certain contract on the enterprise Website based on certain criteria, such as: the date of contract conclusion, name of the economic operator, the contract amount/value, the type of goods, works, services, etc.
- In order to enhance asset management transparency, we recommend the undertakings to publish the information on the assets they manage or own (land plots and immovable property) on their Website, as well as any information related to asset alienation and transfer to third parties.

Human Resources

- It is advisable to disclose on the undertaking Website the number of employees and the monthly average salary per undertaking.
- The undertakings shall ensure public access to all information related to staff recruiting and employment, having published on their Website the job offers, the organised recruiting competitions to fill the job vacancies, as well as the recruiting procedure outcomes.

- It would be advisable to publish on the website the rules for staff recruiting and employment, as well as the rules for organising and conducting the competition for filling the job vacancy of undertaking Administrator.
- It would be appropriate to publish under a distinct heading on their Website the names and CVs of Management Board members and of the Administrator, containing data on their higher education, work experience and other relevant information.
- The undertakings shall provide the information on earned income, allowances, premiums, bonuses, other material aids and benefits provided to the Administrator and to Management Board members.
- The undertakings shall develop and make public the decisions regarding specific thresholds set for Administrator's salary, conditioned by the undertaking performance indicators.

Ethics and Conflict of Interests

- The undertakings shall have in place and make public tools to report any misconduct and corruption deeds (hot-line, online forms, etc.) within the undertaking. In order to make the reporting tools more efficient, it is recommended to have protection procedures and guarantees in place for whistle-blowers.
- In order to prevent any conflicts of interests and corruption deeds, to strengthen integrity and set up certain professional standards, we deem necessary to develop and publish a Code of Ethics for undertaking employees and anti-corruption programmes, containing provisions regarding bribery, conflicts of interests, gifts, other risks and procedures to be followed in each specific case for company employees and management. Likewise, it is appropriate that undertakings develop and implement a Corporate Governance Code (standards).
- The undertakings shall conduct and make public information about anti-corruption training courses organised for their employees or managers.

Grants and Sponsorships

It is important that the enterprise published under a separate heading on its Website all information related to philanthropic actions and sponsorships it was involved in, namely: rules and procedures for assigning grants, donations, sponsorships; list of financial support requests that were rejected throughout 2017 and the reason for their rejection; the amounts and beneficiaries of grants, donations, sponsorships during 2017 (such as different events and social, cultural, educational, sports activities or other types of activities supported by the undertaking).

http://viitorul.org/files/EN_Report%20Transparenta%20intreprinderilor%202019%20FINAL.pdf

2.11 Association of Independent Press: Monitoring the Effectiveness of the National Integrity System and the Work of the National Integrity Authority (NIA)

Between August 2019 and February 2020, API monitored the effectiveness of the national integrity system and the work of the National Integrity Authority (NIA). API's experts have assessed the legal provisions on the verification of the assets and interests of persons holding public offices and the legislative and institutional gaps and barriers in enforcing the provisions. The experts also monitored the institutionalization of NIA and the evaluation of its verification work. These activities are included in two monitoring reports [Report no 1](#) and [Report no.2](#) that contain important conclusions and recommendations addressed to the decision-makers of the Parliament and Government as well as of NIA and the Integrity Council (IC).

Below are the conclusions and recommendations of the two reports produce by the API experts.

Conclusions:

- The process of NIA institutionalization was cumbersome, being initially delayed by the late setting up of the IC and then also by its unpredictable operation. The slow filling in of the NIA is determined by the high requirements of the integrity inspector selection as well as by the lack of celerity in checking the candidates for this office by the authorized bodies. The recent reduction of wages for the integrity inspectors may pose an additional problem to attracting qualified persons to fill in the vacancies.
- Overall, the outcomes of NIA and IC work between 2017 and 2019 have highlighted some positive trends as well as problems, some of which were flagged in the previous monitoring report. Regarding NIA's and CI's work, the following, among others, were assessed:
- Launching of the inspection process by NIA and the positive trends of the outcome indicators, related to this activity;

- Effective unfolding of the collection and storage of asset and interest declarations electronically filed by the subjects of declarations;
- The inspections started and completed as well as the acts finding irregularities concerned a number of categories of public agents, with the managers of public organizations and public office holders accounting for the biggest share;
- The appearance of the final finding acts that identified irregularities in regard to 76 subjects of declaration, to be sanctioned by termination of their mandates and work agreements and to be included in the State Register of persons forbidden to hold a public office or a publicly appointed office;
- An increase in the number of minutes finding offences prepared, especially those concerning infringements of the rules for declaring one's assets and personal interests;
- Registration of first final cases in 2019 that ruled in favor of NIA.

Nonetheless, a number of gaps and problems have been found, such as:

- Little predictable and inefficient work of the Integrity Council;
- Low turnover in the verification (inspection) of the declarations filed;
- Lack of final cases with criminal charges;
- Low number of inspections started and of administrative cases started against the categories of persons concerned in multiple media investigative reports;
- Total small amount of administrative fines imposed;
- Inadequate operation of the Automatized Information System "e-Integrity";
- Deficient insurance of decision-making transparency by NIA;
- Use of confusing and untimely interpretation in ensuring access to information.

Recommendations

For Government and Parliament:

- Revise the legal framework on the appointment/revocation of the Integrity Council's work, including in regard to setting up a permanent CI Secretariat.
- Clearly regulate the duties of NIA's deputy president by law to avoid that eventual abuses or interpretations destabilize the internal environment within the institution.
- Find a solution for increasing/supplementing the salaries of the integrity inspectors and supplement, as needed, the resources for the repair/arrangement of NIA's new premises.

For NIA and the Integrity Council

- Revise the regulation on the competition for filling in the position of integrity inspector for clarifying the issues related to the weight of the polygraph test results in the final evaluation of the candidates and for establishing the rotation of the members of the commission for the selection of integrity inspectors.
- Approve a standardized set of institutional performance indicators and a common format for internal reporting. Those indicators may be taken over from NIA's 2019 Action Plan;
- Introduce innovative methods for viewing the information on NIA's inspection work;
- Remove the flaws from the Automatized Information System "e-Integrity" that impede the full operation of the automatized manner of verification of assets and personal interest declarations;
- Approve a calendar for the systematic information of the public about the inspection work of the Integrity Inspectorate;
- Speed up the revision of the legislation regulating integrity in the public sector in order to remove the gaps and ambiguous provisions;
- NIA must place for public consultations the document with proposals for amending and completing the legislative framework on the declaration and inspection of assets and personal interests;
- NIA must enforce, fully and adequately, the regulations designed to ensure transparency in decision-making;
- Resume the competitions for employing integrity inspectors, organize a training program in the area of declaration of assets and personal interests and of the verification procedures used by the integrity inspectors, with the joint participation of judges and NIA officers;
- Clarify IC's status by making the due completions to the Law 132/2016 and assign it to NIA's management. Enhance the efficiency of the work for regulating IC.

http://api.md/upload/files/The_conclusions_and_recommendations.pdf

2.12 Association of Independent Press: Public Authorities' Reaction to the Facts on Public Officials' Integrity, Described by Investigative Journalists (July 2017 – July 2019)

The study, among others, finds that the well-documented investigative reports present clear evidence of conflicts of interests or public officials' failure to declare some income and assets. Nonetheless, the authorized state institutions, primarily the National Integrity Authority (NIA), do not react appropriately to the media investigative reports and the persons concerned are not sanctioned but, in some cases, promoted.

The study refers to the authorities' reactions to the investigative reports on the integrity of public officials, published between July 2017 and July 2019 by four teams of investigative journalists: *Ziarul de Gardă*, *MoldovaCurată.md*, *Anticorupție.md* and *RISE Moldova*.

Below are the conclusions and recommendations of the study, developed by the API experts.

Conclusions:

- The state institutions did not react in case of 11 of the 26 investigations reviewed in this study. Although, in most cases, reasonable doubts may be found regarding the existence of conflicts of interest or one's failure to properly declare income and property, the National Integrity Authority (NIA), the institution required by law to verify such circumstances, did not start investigations to check the facts set out in the investigative reports.
- In at least three cases, NIA failed to take actions on its own with regard to the investigations in which NIA's representatives were consulted by the reporters at the documentation stage and were quoted in the investigative reports saying that the situations described were conflicts of interest or failures to declare one's wealth (Examples: Stela Grigoraș, Alexandr Chendighilean, Valeri Hudoba cases).
- NAC and GPO/APO showed a higher degree of responsiveness by starting eight internal verifications / investigations / criminal cases.
- The non-uniform reaction of the institutions to the facts described by journalists, allegedly illegal, points to objective and subjective factors that influenced their actions: the reform process undergone by NIA and the insufficiency of integrity inspectors; institutions' low trust in the facts described by the journalists; institutions' failure to identify reasonable doubts of legislation infringement by the persons concerned in the investigations; the political position of the person concerned and their party in the governing algorithm at the time of fact description.
- Of the 15 verifications / investigations started (eleven based on one's own actions and four – on notifications), seven ended without a sanctioning decision, based on findings that the law has not been infringed but on confirmations of the facts described by the journalists. Other seven verifications are in progress and, only in one case (Grigore Repeșciuc's case), there is a NIA's decision that person is recognized liable of legal infringement (violation of the legal regime of conflicts of interest).
- Based on the facts described in the investigations reviewed, the law enforcement institutions have started only one criminal case, against Prosecutor Nicolae Chitoroagă, accused of illicit enrichment, while another criminal case, started until the investigative report was published, checks the assets of Veaceslav Potop.
- A part of public institutions further disregards the integrity issues, flagged by the media, when appointing or promoting their officers. Despite the existence, in most institutions, of internal codes of conduct or codes of ethics – documents that also contain integrity provisions – some institutions continue to invoke, as a reason, the justification that the verification of officials' integrity is NIA's exclusive prerogative.
- Given that nine persons concerned in the investigations have remained in their positions, that is, they have not undergone any consequences in their career paths, 10 have resigned for reasons other than those related to the facts described in the investigations, and two persons have been promoted, one finds lack of real commitment by the institutions to discourage the employment of persons suspected of lack of integrity.

Recommendations

For state institutions:

- Given they communicate their firm commitment to fight corruption, the institutions having control functions – NIA, NAC, GPO, APO and others – should respond appropriately to the information published by the media, especially by the media specialized in investigative journalism, that points out the lack of integrity of persons holding public positions, without waiting to be notified. This would help prevent the access to public offices of people lacking integrity and would increase people's trust both in the control bodies and in the media as institutions seeking to find out the truth and write about injustices.

In addition, the prompt reaction of the state institutions would give a signal of encouragement to the population to report any infringements by the officials / elected officers to the press.

- The National Integrity Authority should review its press monitoring practices in order to identify possible cases for starting verifications.
- If taking actions on their own and starting checks/controls/investigations, the state institutions should communicate about such actions in a public, transparent and argued manner, through press releases or press conferences. The public opinion would thus receive clear evidence of the authorities' real will to investigate any person, regardless of their political affiliation or position in the public affairs administration system.
- When promoting or reconfirming employees in their positions, the heads of institutions should take into account the information documented by journalists and that contained in the verification documents, prepared after the publication of investigation reports.

For nongovernmental organizations:

- The NGOs active in the areas of anti-corruption and integrity are recommended to create partnerships with media outlets based on which to request the authorized institutions to take a stand / react through verifications and investigations to the facts described by the journalists and to follow the outcomes of such investigations and the procedures of recovery of damages caused to the interests of the state.
- Civil society representatives could assume on their own, and apart from partnerships with the media, the periodic monitoring of how state institutions react to the disclosures made in investigative media reports by sending notifications or requests for information.

For journalists:

- Journalists, and not only those specialized in investigations, should strengthen their capacities to investigate the incomes and interests of persons holding public offices and the operations of companies that provide services to state institutions.
- The in-depth documentation of more cases of lack of integrity in the public sector or of abuses in the administration of public affairs could put greater pressure on the authorities to remove the persons with integrity issues from the central and local administration.
- After the investigative reports are published, the journalists should follow the authorities' reactions to the facts described therein.

http://api.md/upload/files/Conclusions_and_Recommendations_of_the_Study.pdf

2.13 Expert-Grup: Everything about Informal Economy. Reducing Corruption by Developing Cashless Payments

The study focuses on analysing why the cashless payments are important in order to diminish corruption levels and how strengthening this system is essential to achieve major goals in this field.

Cash is the instrument due to which corruption exists. Cash anonymity, impossibility to identify its source, and non-traceability of cash transactions are the reasons why beneficiaries of corruption depend directly on the presence and circulation of cash. If there were no cash available, it would be much more difficult to get involved in corruption transactions, because of the possibility to reconstruct every transaction, including its beneficiaries, revealing thus their interests. Decreasing the high share of cash in financial flows can help eradicate corruption at least partially. Cashless payments witnessed an explosive increase in the last decade, which resulted in an increasing global economy, lower levels of informal economy and diminishing of corruption. According to a report of the European Central Bank, in 2016, the number of cashless transactions in the European Union increased by 8.5% compared to the previous year and the number of issued banking cards reached the level of 1.6 per inhabitant. For comparison purposes, the number of issued banking cards in Moldova, at the end of 2017, was about 1.7 million – about 0.5 cards per inhabitant, which is three times less than the EU average. During 2017, the cardholders made 40 million transactions on the territory of Moldova, recording a 25% increase compared to 2016. It is worth mentioning that most of the card transactions continue to be withdrawals of cash at ATMs. Although the share of cash withdrawals to cashless payments is 60:40, the value of cash withdrawal operations considerably exceeds the value of cashless payments, the proportion being 90:10. On average, a cash withdrawal transaction at the ATM amounts to about MDL 1,650, whereas in a cashless transaction only MDL 300 is spent. At the same time, the number of cashless transactions increased from 1.45 per card in 2010 to 9.3 transactions per card in 2017. Note that the number of cash

withdrawals decreased from 18.8 to 14 transactions per card. These trends show that people are increasingly using banking cards for daily operations, even though of small value.

The analysis also provides a series of recommendations, such as (1) boosting the activity of the National Payment Council, (2) extending the possibility to pay for all public services through cashless payments (through electronic platforms or bank subsidiaries), free of fees and commissions, (3) Promote the vision and the infrastructure of cashless payments for services provided by local public authorities, (4) the need to assess the possibility of granting a tax reduction to consumers who use electronic payments, (5) create a regulatory sandbox for financial and technological solutions (FinTech) etc.

The main conclusion is that over time, cashless payment can contribute to the efforts of fighting corruption. Removing cash entirely should not be an objective pursued by authorities, because its presence is extremely important for people who are not included in the financial circuit, insignificant transactions or to the activities of enterprises and small traders. However, taking into account the speed of technological development and the role of cash in sustaining corruption, popularisation of cashless payments must be considered as an important measure for supporting and cleaning the economy.

<https://www.expert-grup.org/en/biblioteca/item/1727-economia-informal%C4%83-%E2%80%9EElapunct%E2%80%9D-diminuarea-corup%C8%9Biei-prin-dezvoltarea-pl%C4%83%C8%9Bilorf%C4%83r%C4%83-numerar&category=7>

3 Justice sector

3.1 Legal Resources Centre from Moldova: Assessment of Gender Dimension in the Justice Sector of the Republic of Moldova

As of 31 December 2018, there were 440 judges in the Moldovan justice system, including seconded and suspended judges. Of these, 213 were women (48.4%), and 227 were men (51.6%). The difference is about 3% in favour of male judges, hence the discrepancy is insignificant. However, the number of women judges in higher level courts is decreasing compared to the number of male judges. For example, if at the level of first level courts the percentage of women judges is about 49% then at the level of the courts of appeal it decreases to about 46%. At level of the Supreme Court of Justice the percentage further decreased to about 44%. Thus, although the overall discrepancy across the system between female and male judges is small (3.18%), it gradually increases depending on the court level. Thus, the difference at the first level courts is 1.24%, while at the level of the courts of appeal it increases to 7.69%, being the highest at the SCJ level – 11.11%. While applying the correction factor in our analysis due to limitation imposed by the small numbers error in sociology, we still see that the statistical analysis remains relevant and shows steadily increase in the presence of women in the higher courts.

It is also worth mentioning that until recently there were cases of no women judges at all or just a single woman judge at some of the courts of first instance. The list of these courts includes: Cahul District Court located in Cantemir, Comrat District Court located in Vulcanesti, Criuleni District Court located in Dubăsari, Bălți Courts located in Fălești and Sîngerei, Edineț court located in Ocnița, Orhei court located in Rezina and Telenești, Drochia court located in Rîșcani, and Căușeni court located in Ștefan-Vodă. There are not many judges aged under 30 years, both men (4) and women (2), in the judicial system of Moldova. Most of the women judges aged 30 to 49 years (138 judges) are employed as court of first instance judges. However, at the level of the courts of appeal there are more women judges aged 45 to 65 years (35 judges) while at the level of the SCJ the majority of women judges are aged 55 to 65 years (8 judges). The rationale of having older cohorts of judges at the SCJ and courts of appeal derives from the requirement of having a minimum of 10 and accordingly 6 years of experience. It could further be explained by the fact that during the Soviet Union time when these when judges were studying, there were informal quotas for the women while the majority of law faculty students were male (Interview No. 9). In case of male judges, we see similar trends of having a significant number of judges aged 30 to 49 years (136) serving at the courts of first instance. At the same time, a “rejuvenation” among male judges at the level of courts of appeal can be seen compared to women - 42 male judges aged 40 to 59 years. The same trend applies to the SCJ - all of the 15 male judges are aged 40 to 65 years. While the career promotion is highly dependent on the experience gained throughout the years, it is worth noticing that men are promoted to higher level courts at a younger age, while in case of women it takes much longer.

The largest gender gap is obvious in case of investigative judges, the majority being men - 57 male judges (about 64%) compared to 32 women judges (about 36%). The rationale for this is that the institution of investigative judges was initially established as a separate category of judges in order to provide additional protection of human rights during criminal prosecution. The investigative judges appointed for this function should have been specialized in exercising the judicial control over the activities conducted by criminal investigation bodies. The investigative judges are appointed for an unlimited period, based on a range of specific criteria. Given such requirements, the majority of the investigative judges appointed between 2003 and 2009 were former prosecutors or criminal prosecution officers. In 2013, the majority of the investigative judges (87%) were either former prosecutors or criminal prosecution officers.

https://crjm.org/wp-content/uploads/2019/10/Raport_Analiza-dimensiunii-de-gen_ENG.pdf

3.2 Legal Resources Centre from Moldova: Moldovan justice in figures – a comparative perspective

The Legal Resources Centre from Moldova (LRCM) conducted an analysis of the justice system of the Republic of Moldova based on statistical data. LRCM aimed at obtaining a comparative overview of the justice system in Moldova with other countries with comparable economic development, thus, identifying potential needs of intervention on the policy level in this sector. We hope that the data reflected in the analysis will be useful both for the justice system and the policy makers deciding on justice matters.

The analysis compares the justice system of the Republic of Moldova with other 10 states from the former soviet bloc, as well as with the average metrics of the Council of Europe (CoE) member States. The following main areas have been analysed: the public funds allocated to the justice system, the judges and prosecutor's wages, the per capita number of judges, prosecutors and lawyers, the sufficiency of staff assisting judges and prosecutors, the judges' promptness in examining the cases, as well as the workload of judges and prosecutors. The analysis was prepared based on the Report of European Commission for the Efficiency of Justice (CEPEJ) published in 2018. That report was based on the data from 2016. LRCM also compared the data of that report with the data from the Republic of Moldova for 2018.

In 2016, the Republic of Moldova allocated EUR 8 per capita to the justice system. Hence, Moldova was situated on the last places amongst the CoE member States, next to Azerbaijan and Armenia. In 2018, the Republic of Moldova allocated already EUR 17 per capita, which statistically is twice as much as in 2016, surpassing Azerbaijan, Armenia, Ukraine and Georgia. Nevertheless, the sum allocated in 2018 per capita is 3,5 times lower than the average of the CoE member States. In 2018 the share in the state budget of funds allocated to the justice system was high, amounting to 1,5% from total expenses. In this respect, the Republic of Moldova was surpassed by Bulgaria only. The average of CoE members States in this respect is 0,9%.

The overall increase of the budget allocated to the justice system in the last years is due to the increase of the judges' and prosecutors' wages. Albeit this growth were significant, the Republic of Moldova is still among the countries which pay the least to the judges and prosecutors. In 2016, Ukraine was the only country that paid less their judges and prosecutors. In 2018 the starting wage of a Moldovan judge and prosecutor was three times lower than the average of the CoE member states. Although the real numbers are informative, they must be compared with the country's economic development and the average wages. The judges' and prosecutors' wages reported to the average gross salary in the Republic of Moldova is close to the average of the CoE member states.

When it comes to the total number of judges per capita, the Republic of Moldova is substantially under the average of CoE member States. In Moldova, there are 14,7 active judges per 100,000 habitants, whereas the average of the CoE member States is 21,5. Although these numbers may suggest an increase of at least 50% of the judges' numbers, this data must be carefully analysed. The data presented by the Republic of Moldova to CEPEJ did not include the judges that were suspended from office, as well as vacancies from the system. Filling in the vacancies from Moldova would considerably increase this ratio. Moreover, the statistical data shows that the number of cases examined by judges of the Republic of Moldova is at least 30% lower than the average of CoE member States.

The number of prosecutors in the Republic of Moldova per capita is twice higher than the average of CoE member States. The Republic of Moldova is among the countries with the highest number of prosecutors per capita. Yet, this number should be carefully analysed, taking into consideration that, in some countries, only the senior prosecutors are considered to prosecutors. However, the number of prosecutor positions in the Republic of Moldova (720) is 43% higher than the number of judge positions (504). In countries with an advanced democracy, the number of judges is always higher than the number of prosecutors.

The number of lawyers per capita in the Republic of Moldova is 2,3 times lower than the average of CoE member States. The low number of lawyers seems to be determined by the population's limited possibilities to pay lawyers, as well as by the limited attention of the justice system towards lawyers' arguments.

Within the framework of this analysis, we compared the per capita staff that assist judges and prosecutors. In 2018 the number of staff that assist judges was 20% lower than the CoE average. At the same time, the number of staff that assist the prosecutors was slightly higher than the CoE average.

The CEPEJ Report contains information about the number of cases received by the judges and the number of cases examined by the prosecutors. In 2016, the courts of the Republic of Moldova recorded 3,28 civil, commercial, administrative and criminal cases per 1,000 habitants. The CoE average on this head is 5,3 cases, 61% more than in the Republic of Moldova. In 2016, the prosecutors initiated 1,9 cases per 1,000 habitants, while the CoE average is 3,1, 63% more than in the Republic of Moldova. These facts suggest that Moldova's habitants are seeking legal redress from courts less frequently, while the prosecutors initiate fewer criminal investigations than the CoE average. However, the number of the initiated criminal cases should be carefully addressed, taking into consideration that in some countries the administrative offences are considered criminal, while in the Republic of Moldova a large number of criminal complaints are rejected by prosecutors without

opening a criminal investigation. In contrast, the number of per capita criminal investigations initiated in Bulgaria, Armenia, Georgia, Lithuania and even Russia is lower than in the Republic of Moldova.

The research analysed the disposition time for examining the cases in the courts. On average, a case in the Republic of Moldova is examined in 259 days, through all three courts' levels of court. The average of CoE member States is 735 days. This confirms that, on average, the cases in the Republic of Moldova are examined three times faster than the European average. The Republic of Moldova is among the states with the quickest court procedures, after Azerbaijan and the Russian Federation. However, this speed has a price – the poor quality of justice, a fact that is implicitly confirmed by the high number of complaints against the Republic of Moldova at the European Court of Human Rights.

[https://crjm.org/wp-](https://crjm.org/wp-content/uploads/2019/10/Moldovan_justice_in_figures_comparative_analisis_CEPEJ_final_web.pdf)

[content/uploads/2019/10/Moldovan_justice_in_figures_comparative_analisis_CEPEJ_final_web.pdf](https://crjm.org/wp-content/uploads/2019/10/Moldovan_justice_in_figures_comparative_analisis_CEPEJ_final_web.pdf)

3.3 Legal Resources Centre from Moldova: Communication in Accordance with Rule 9.2 of the Rules of the Committee of Ministers for the Supervision of the Execution of Judgments and of the Terms of Friendly Settlements

The submission is presented by the Legal Resources Centre from Moldova (LRCM)¹ in the context of consideration of execution by the Republic of Moldova of the Sarban group of cases at the 1348th CDDH meeting (4-6 June 2019). The Sarban group of cases concerns various violations of the Art. 5 of the European Convention on Human Rights (ECHR), mostly related to pre-trial arrest. This group of cases is previously discussed at the 1294th CDDH meeting (19-21 September 2017). The key recommendations made to the Moldovan authorities at that meeting are resumed as it follows:

- a. provide information on the impact of the 2016 amendments to the Criminal Procedure Code (motivation and procedure of arrest) and development of the judicial practice;
- b. provide information, including decisions of domestic courts, reflecting the examination of evidence from the defence, including hearing of witnesses;
- c. submit information on the measures adopted or envisaged to ensure the possibility to apply for compensation to any person detained in breach of Article 5.

This submission covers only the general measures aimed at preventing the violation of Article 5 paras. 3-5 of the ECHR. It will not address the other issues from the Sarban group of cases.

<https://crjm.org/wp-content/uploads/2019/04/2019-04-16-LRCM-submission-9.2-Sarban.pdf>

3.4 IDIS Viitorul: The Small Justice Reform

The justice reform is one of the most important outstanding debts of the Moldovan government in relation to the commitments it made by signing the Association Agreement between the European Union and the Republic of Moldova. The Small Justice Reform, assumed by the Ministry of Justice in 2018 and which in fact represents more of a declaration of intent, and which has not been adopted and agreed with by all actors, including by actors from the judiciary, has not achieved the objective of promoting visible changes throughout the whole judicial system.

The monitoring process covers the period from 1 February 2018 to 30 April 2019, analyzing the 33 planned reform actions, the measures taken by the responsible public authorities, the difficulties and the existing outstanding debts. The results of the monitoring were quantified, and the degree of accomplishment of each action was determined using the following criteria: accomplished, partially accomplished and unaccomplished/the degree of accomplishment is not known.

The results of the monitoring have also been shaped and influenced by the low level of transparency of the process of implementation of the actions envisaged by the Ministry of Justice and by the lack of systematized information on the progress of the reform, which made monitoring difficult. The execution of the actions is either not made publicly known, or such information is being scattered on different web portals. Regarding the unaccomplished or partially performed actions, no explanations are given, nor are the obstacles that prevent the execution of the actions being mentioned, and the solutions for overcoming such obstacles are not presented.

We should also emphasize here restrictions on the access to information placed in front of us by the Ministry of Justice, which did not provide answers to our request to supply information on the results of the implementation of the strategic directions from the "small justice reform".

The results of the evaluation of the actions envisaged in the "small justice reform" show us a low level of accomplishment of this reform assumed by the Ministry of Justice. Between February 1, 2018, and April 30, 2019, only 18% of the measures were accomplished, 36% were partially accomplished, and about 46% of the measures were not accomplished or such accomplishments are not known.

The major failures of the reform

- The evaluation of the integrity of the judges is a difficult task to achieve in the context where the National Integrity Authority is not yet fully functional, the image and credibility of this institution is strongly diminished, and the agency did not prioritize the control process of the asset statements and of the declarations of personal interests of the judges, including of the members of the Superior Council of Magistracy, although this was necessary.
- Actions that require the modification and completion of the Constitution of the Republic of Moldova are not carried out due to the lack of the necessary number of votes and political consensus. As a result, reforms remain stalled as is the case with the standardization of the procedures of acceding to the office of judge (the elimination of clause requiring a minimum of ten years served as a judge before becoming eligible to work as a judge at the Supreme Court of Justice); the appointment of judges of the Supreme Court of Justice by the President of the Republic of Moldova, at the proposal of the Superior Council of Magistracy; the exclusion of the initial period of 5 years when appointing a judge, with their appointment until reaching the age limit; regulating the role of the Superior Council of Magistracy within the Constitution; the exclusion of the Prosecutor General, the President of the Supreme Court of Justice and of the Minister of Justice from the rank of members of the SCM, etc.
- Despite the efforts made, there is no indication of a boost in the process of constructing new buildings and/or renovating the existing buildings, a process necessary for the proper functioning of the system of courts, merged as a result of the reforms. In addition to the bureaucratic procedures and the reluctance of local public authorities to allocate plots of land for the construction of new buildings, the biggest problem is the lack of necessary financial resources totaling about 1.7 billion lei. In order to carry out these actions, money is provided annually from the state budget, but without identifying additional resources, mainly from external funds, it will be difficult to carry out the planned measures in time, by 2027.
- The institution of the investigating judges remained unchanged, without reforming them as judges for rights and freedoms, and the average rate of arrest authorization for 2018 reached a figure of over 88%, exceeding the European average of 40-50%. Apart from the problem of the lack of legislative interventions, or the cancellation by law of previous successes, there is also the inaction of the Superior Council of Magistracy, which has levers for perfecting the institution of investigative judges.
- Contrary to the objectives of the reform, the issue of publishing in court decisions the surnames and the names of the parties and other personal data has become once again actual. There is the danger, at the insistence of the National Center for the Protection of Personal Data, the Superior Council of Magistracy will revise the Regulation on publication of the decisions under this aspect, and that the Agency for the administration of the courts will insert these changes under the pretext of updating the interfaces of the web pages of the courts.
- The Superior Council of Magistracy continues the vicious practice of voting decisions only in the presence of the members of the SCM, behind closed doors, within the deliberation procedure. The legislative changes implemented in 2018 instead of excluding the deliberation procedure which affects the transparency of the decision-making process of the Superior Council of Magistracy, expressly stipulated this instrument in the law, thus providing the legal possibility for the SCM to vote in closed sessions
- The reforms of the legal profession and of the Constitutional Court remained in the shadow. Without the implementation of all the required components, we cannot talk about the visible effects of the reforms.

Important successes of the reform

In addition to difficulties and problems, we must also highlight certain successes achieved through the amendment of the legal framework. We mainly note:

- the modification of the legal framework regarding the criteria for selection, evaluation, and promotion of judges, by expressly giving priority to the candidates with the highest score accumulated during the

evaluation by the College for the Selection and Career of Judges, including enshrining in the law the regularity of competitions;

- the creation of specialized sections of the Chisinau District Court (the criminal section, the civil section, and the administrative section, based on the premises of the former sector courts);
- the modification of the legislation regarding the disciplinary liability of judges in order to establish a mechanism directed at ensuring the responsibility of judges;
- the modification of the legislation in order to ensure the functional autonomy of the Judicial Inspection vis-à-vis the SCM;
- effectively ensuring the random distribution of the files in all the courts and stipulating that the violation of the random distribution of files is a disciplinary deviation;
- the limitation of the voting rights of the Prosecutor General and of the President of the Supreme Court of Justice and the Minister of Justice in the process of adopting decisions regarding the career of judges, their disciplinary responsibility, sanction and dismissal of the judges.
- ensuring the possibility of appealing the SCM's decisions in the Supreme Court of Justice, both regarding the merits of the cause and the procedure of issuing such decisions.

Strategy for the development of the justice sector for 2019-2022. We count on the fact that all the actions not accomplished or partially accomplished within this reform should be included in the future action plan of the Strategy for the development of the justice sector for the years 2019-2022. Currently, only the draft of the Strategy as a policy document prepared by the Ministry of Justice is subject to public consultations.

www.viitorul.org/library

4 Economic Development

4.1 *Expert-Grup*: Economic Models of Aid Effectiveness in Moldova

In this paper, *Expert-Grup* provides an overview of the objectives and challenges to be met in the delivery of EU development aid to Moldova. The analysis suggests that aid commitments and the number of aid projects are conducive to higher levels of socio-economic development; while the results for aid disbursements are in the same direction, they are less robust. EU development aid is effective when we introduce the three-year lag and the outcome variable is long-term investment, meaning that the impact of EU development aid can be observed in the medium and long-run, which points on positive and sustainable impact on the development of the country. Giving Central European bilateral donors such as Austria, Slovakia, and Romania a share in the programs does tend to generate higher levels of socio-economic performance. The same observation holds for transport, health, and water projects. The authors found that aid disbursements are much lower compared to aid commitments, revealing a large unexplored potential of EU development aid in Moldova, which is mostly due to governance issues in Moldova. In order to bridge the gap between aid commitments and aid disbursements, it is important for the European Union to bolster transnational sovereignty partnerships that bypass central government budgets and foster the implementation of local-scale projects with the participation of sub-national bureaucracies and local civil society.

The main focus of the paper is the analysis of development aid effectiveness in Moldova. We also intend to complement existing evaluation mechanisms of aid projects. The majority of donor monitoring and evaluation instruments use a project-by-project or program-by-program approach. Nevertheless, there is still no comprehensive toolbox for assessing development aid effectiveness in the medium- and long-term. What is important is to multiply positive effects and concentrate on areas with lower levels of aid effectiveness. This would entail strategic planning and a full review of policy approaches at the country level. As the evidence indicates, the dichotomy between aid commitments and projects on the one hand and aid disbursements on the other, reveal the urgent need to review the strategic approach toward development aid, particularly when it comes to methods and channels of aid disbursement. The EU is one of the main central government donors in Moldova. From our study it is clear that bilateral donors focused on local development aid have produced better results. Academic literature and international aid policy experience show that direct developmental support and aid decentralization toward the regional, local, and community levels tend to generate higher levels of socio-economic development. But this approach has to be combined with new monitoring tools, thereby ensuring a rise in the quality and quantity of local civic organizations. Furthermore, aid projects should be seen as capacity-enhancing mechanisms that involve the local bureaucracy in the development process and produce socio-economic outcomes in line with the economic strategy and social welfare needs of the population of the respective rayons.

The policy recommendations developed in the paper include the following:

- Thorough review of aid distribution channels and monitoring instruments. A significant share of development aid flows should arrive at the local level. The monitoring of aid distribution at the local level should involve civil society institutions.
- Decentralization of monitoring and management structures of EU aid projects at the local level. This would reduce the rent-seeking incentives of central bureaucrats, minimize the expected payoff from corrupt practices, and utilize existing bureaucratic structures for purposes of capacity building. Joint EU-Moldovan bodies would then monitor the stages of project implementation by EU-Moldovan consortia, whose financial accounts would be located in European banks.
- The Europeanization of the lower and middle levels of the Moldovan civil service, particularly in the Southern rayons of the country, which – with the exception of Gagauzia – are consistent underperformers both in the attraction of EU funds and general indicators of economic growth and human development. EU development aid should expand rather than undermine state capacity, and this can be possible only with the strengthening of Moldova's economic bureaucracy at the local level.
- Empowering Moldovan civil society and giving it a competitive edge. The active involvement of Moldovan civil society is key; it raises informational asymmetries for European business and civil society partners, giving local actors a leg up, and allows for the emergence of win-win policy scenarios and, eventually, situations where the long-run economic development of the country is backed up by a competitive “fringe” of EU-oriented civic organizations that do not interfere with but rather complement state functions. That way politics stays out of the immediate EU-Moldovan negotiations, and everybody becomes better off.

- Flexible and efficient donor oversight of aid project implementation, which necessitates a higher degree of institutional embeddedness in the recipient economy. It requires EU institutions to be actively involved in Moldovan universities and the promotion of start-up entrepreneurship, as well as in partnerships and financing instruments that link EU small and medium entrepreneurs with possible Moldovan partners. The creation of synergetic structures between economy and society would only enhance the long-run impact of EU development aid projects.

<https://www.expert-grup.org/en/biblioteca/item/1746-estimari-empirice-ale-eficientei-asistentei-in-republica-moldova&category=7>

4.2 Expert-Grup: War by other means. Kremlin's Energy Policy as a Channel of Influence. A comparative assessment. Case studies from Ukraine, Moldova, Georgia, Romania and Hungary

The EU has been increasingly caught up in its own internal struggles over the past years – migration, populism, Brexit – and is facing fundamental challenges to its core principles and values from problematic member states such as Poland, Hungary or Romania. Russia stands only to benefit from such internal divisions. As usual, Moscow has three main instruments to exert significant political influence in its “near abroad”, but also to expand it in the formerly communist Central Europe and further towards the West.

Its main weapons to do so are (i) direct military intervention and conflict fuelling in ex-USSR states; (ii) “hybrid war” methods such as cyber attacks, disinformation, trolls, covert financing of extremist parties and the like; and (iii) its energy leverage.

As it was noted in the [previous edition of this report](#), **the EU itself has been much more vulnerable in the early 2000s than it is today to Russia's energy leverage.** Two gas crises (2006, 2009) and the military aggression in Ukraine (2014) gave the Union a strong impetus to accelerate the integration of its energy market and push for the implementation of the Third Energy Package, a process that would have been probably much slower without this sense of urgency. Interconnections and solidarity mechanisms against energy crises were also enhanced after the EC's timely energy security stress tests in 2014, followed shortly by the adoption of the energy security strategy.

In this report, we find strong indications of Russian abusive behaviour and strong similarity across Moldova, Hungary, Romania, Georgia and Ukraine, many of which are only partly understood in the West, as well as recommendations for EU institutions.

https://www.expert-grup.org/media/k2/attachments/War_by_other_means.pdf

4.3 Expert-Grup: The Ungheni-Chisinau Gas Pipeline: Outlook for Before and After 2020

The report analyzes the status of the gas interconnection between Romania and Moldova, which requires extensions both in Moldova and in Romania. The document takes stock of the progress to date, but also the risks concerning the construction of the gas pipeline both in Romania and Moldova. In the first chapter, the report focuses on the incipient phases of the interconnection and examines the geopolitical and legal circumstances in which the stakeholders promote the Moldovan-Romanian interconnection on gas. The second chapter reviews the privatization of the infrastructure (Vestmoldtransgaz) and highlights the main developments in this energy project. The third chapter reflects on the situation in the Romanian natural gas sector, the development of which in terms of internal production and export capacity has an essential role for the interconnector to become fully functional. Finally, the report proposes a set of actions needed to ensure the construction of a well-functioning gas pipeline in Moldova's energy market, all the way to Chisinau, but also competitive in terms of the final consumer price.

The finalization of the Iasi-Ungheni pipeline in 2014 confirmed that this objective is not only desirable but achievable. The completion of the paperwork for the construction of the Ungheni-Chisinau pipeline on May 2, 2019 launched the actual construction. Proper management of the investment, technical (public procurement) and even (geo) political aspects are critical to finalize the gas connection from Romania to Chisinau.

Politically, the Moldovan authorities must prioritize the construction of the pipeline to Chisinau, where the demand for energy is located. One must put aside the negative political attitudes towards Romania and the European Union (EU), and political decision-makers and institutions must focus on facilitating and accelerating the connection to the Western gas market. The volatility of the regional context

does not allow for any stop or delay on political grounds and requires swiftness in finding solutions to technical barriers, within the national legal framework. At the investment level, it is necessary to secure the construction operations of the Romanian company Transgaz SA, both in Romania and in Moldova, against the negative impact of the budgetary and fiscal policies of the Romanian authorities, which may affect the budgets allocated for construction. At the same time, priority is given to co-opting the European resources available to facilitate construction operations. Under no circumstances should the Romanian company receive exclusive treatment contrary to Moldovan legislation in the field of public procurement, environmental protection, etc. In technical matters, starting and finishing the construction requires compatibility between the European (European) construction standards used by the company and the (still) obsolete technical standards in Moldova. Also, there is a risk of a shortage of construction capacities, both for materials (pipelines) and labour force (qualified personnel - welders, site managers, etc.). As a horizontal issue for the whole interconnection project, it is essential to ensure a high level of transparency of the procurement process for the private land along the Ungheni-Chisinau pipeline route and for the actual construction of the infrastructure. On one hand, it is necessary to prevent arbitrary and disputable decisions in the land acquisition process, which could cause opposition to the construction of the pipeline. On the other hand, the up-to-date monitoring of the construction steps will ensure the identification of bottlenecks and their removal as swiftly as possible, in line with existing regulatory requirements.

It is essential that the Moldovan gas sector becomes fully functional, transparent and allows for fair competition, so that, after the infrastructure is built, gas flows through the pipelines. Before the project is finalized, one needs to develop the necessary regulations for real competition in the gas sector and the full implementation of the Third Energy Package (including the „unbundling” of suppliers from networks). The construction of the gas pipeline construction does not mean that Gazprom’s monopoly is replaced with a Romanian monopoly, but free competition between Gazprom and suppliers from Romania and the European Union. Increased confidence in the independence and competence of the ANRE regulator is also critical. Also, we need a good negotiation with Gazprom for the next two years – within the given constraints – to avoid market foreclosure and exclusion of Romanian / European suppliers from the market once the pipeline is completed. Moldova also needs to reach an agreement with Ukraine on emergency gas supply if Russian gas is no longer available before the interconnectors are completed. This is a risk whether Gazprom completely bypasses the transit via Ukraine in a few years or decides to discontinue or cut the supply of gas to Moldova for any other reason. To ensure both the entry of Romanian and Ukrainian suppliers in the Moldovan gas market and the use of gas infrastructure in Ukraine (for example, the underground storage), it is essential that the entire region (Moldova, Ukraine and Romania) fully implement EU’s energy market rules.

The gas connection with Romania is part of a broader program to connect Moldova with the Romanian energy system ("Energy Road Maps"), which also includes the electricity interconnection on the Isaccea-Vulcanesti-Chisinau route. Effective access to the Romanian gas market would increase Moldova’s energy security, because it diversifies gas routes, sources and suppliers, thereby reducing geopolitical pressures. Russia’s intention to bypass the gas transit to the EU via Ukraine through the construction of Nord Stream 2 and Turkish Stream increases the urgency to connect Moldova with the Romanian energy networks and supplies. At the same time, it is necessary to establish a strategic energy dialogue between Moldova and Ukraine at the level of regulators, line ministries and system operators - ideally, with the support of the European Commission. Such a Moldovan-Ukrainian strategic dialogue would include the coordination of cross-border energy projects, emergency supplies in case of a crisis and would help mitigate the consequences resulting from decisions of third parties (Russia). The European Commission, as a neutral and credible mediator, could facilitate the negotiations between Ukraine and Moldova on this issue, but also on others where the two countries have opposing views and where an agreement could be facilitated by the implementation of European directives - for example, the hydro-complex on the Dniester, the speed with which Ukraine will connect to the European ENTSO-E system on electricity, etc. Such a dialogue would also support the energy sector’s transparency in both countries.

Moldova’s choice to abandon European financial assistance changed the status quo of the project. The initial funding from the EBRD and the EIB, which contributed 41m Euros each to the construction of the Ungheni-Chisinau section, topped a 10m Euros grant from the EU, conditioned on reforms in the energy sector. Thus, the decision of the Moldovan authorities to privatize Vestmoldtransgaz is based on two major considerations. Firstly, by transferring the responsibility for the pipeline construction to Romania, the Moldovan Government avoided a new mechanism of "energy conditionality" comprising sector

reforms whose implementation entailed EBRD and EIB monitoring. The official argument of the authorities is that, on the one hand, privatization is an opportunity to reduce Government debt, and on the other hand it can channel foreign investments to other needs such as increasing energy efficiency. Secondly, by privatizing Vestmoltrasngaz, the Moldovan side actually "concessed" the responsibility for an infrastructure project to an external "private" investor - Transgaz. The transfer of such a strategic project to a foreign investor would have become an indisputable advantage if the company were completely independent from political interference. In fact, the Romanian investor - Transgaz - is a majority state-owned company, subject to the political decisions of the Romanian Government, who provided political and financial support to the ruling party in the Moldovan government in 2016-2018. In particular, while the EU tightened its conditionality towards the Moldovan government, Romanian officials freely lent 150 million Euros between August 2016 and September 2017. On the other hand, it can be argued that the Ungheni-Chisinau pipeline would not belong either to Moldovagaz or to Chisinau authorities; this limits the risk that, for example, Gazprom would try to gain control of this pipeline as repayment for the historical debt accumulated through unpaid gas bills. Another advantage would be to increase the coherence of the interconnection project, as Transgaz also needs to carry out works in Romania (the Onesti - Gheraiesti - Letcani gas pipeline and compressing stations in Onesti and Gheraiesti) before the pipeline can be fully operational.

<https://www.expert-grup.org/en/biblioteca/item/1805-gazoductul-ungheni-chisinau-perspective-panasi-dupa-2020&category=184>

4.4 Expert-Grup: MEGA, the XXth edition, "Economic challenges following political turbulence"

MEGA is an English acronym standing for Moldova Economic Growth Analysis. MEGA is a biannual review published by EXPERT-GRUP since 2009 with the purpose of explaining the fundamentals of the recent economic trends in Moldova, analyzing economic policies and proposing solutions for the economic development strategies of the country.

In the last quarter of 2018 and all through the first half of the current year, the economy grew amidst a slight intensification of inflation anticipations and pressure on the Moldovan Leu exchange rates. Seasonally-adjusted Gross Domestic Product increased by 4.1% in Q1:19. The growth of demand was largely driven by the spectacular rise in the salaries in the real sector, public investment programs, and also by a slight improvement in employment. In fact, gross fixed capital formation was the main driver of GDP growth (2.3 percentage points), while household consumption contributed 1.6 points. There are, though, concerns regarding the sustainability and quality of these economic engines. In particular, there is evidence that despite the tax reform, the employment increased due to more people getting informal jobs while the number of formal wage earners dropped. It is also clear that the public capital expenditure program will be rationalized by the new Government and will no longer serve as an important source of growth in the short and medium terms.

Having benefited from the accelerated salary growth, the service sector was, on the supply side, the key source of economic growth in the first quarter of the current year. The turnover in the retail and wholesale trade grew by almost 7%, the sector thus making the largest contribution to the total output and gross value added. The construction sector also showed upbeat dynamics (+ 15% in the volume of works), mainly driven by large infrastructure projects funded by public resources, its contribution to overall economic growth being smaller due to its modest share in the total. The volume of production in the goods producing sectors grew much slower than in the service sector. Thus, the industrial sector as a whole grew by 2.5%. The agriculture stagnated at the level of the previous year, the same as the public service sector, both of them having had nil contributions to the output dynamics earlier this year.

The stagnation of the public service sector reflects, to a certain extent, the multiple challenges that the public budget has had to cope with. Firstly, the tax reform, which involved introducing the flat tax rate and reducing employers' contributions to social insurance, resulted in smaller amounts of revenues going to the state budget and the social insurance budget. According to our estimations, the revenues in Q1:19 were by about MDL 700 million smaller than they would have been if the reform had not been conducted. Secondly, guided by short-term political stakes, the previous Government has made financial commitments far above the limits imposed by the fiscal prudence. The combined impact of these developments in the first five months of this year was a cash deficit equivalent to 8% of the total national public budget revenues. The last time the budget system was under such pressures was during 2011-2012 following the financial and

economic crisis of 2008-2009. Finally, with regard to the external assistance, the previous Government only managed to attract an insignificant part of grants for the direct budget support and for financing capital investments. In such a situation, the deficit was financed mainly from domestic sources by issuing new state securities and contracting direct loans from financial and non-financial institutions.

At the same time, the tax reform has had a certain positive impact on the economic activity. Among others, the reduction of the fiscal burden had a notable push on the investment process, with a spectacular 20% rate of growth of the fixed capital investment in the baseline scenario compared to the alternative scenario of non-reform. The informal employment also shrank visibly, with an estimate ratio of 3-4%, both for women and men.

The key indicators in the banking sector remained at adequate levels in the first half of this year, including the indicators on liquidity, solvency and capital adequacy. The volume of new loans granted to both legal entities and individuals has increased. The boom of the household financing in the banking sector and the micro-financing sector continued unabated. This reflected the stronger demand for real estate loans, including those granted under the “First Home” (“Prima Casa”) Program. With inflationary pressure below expectations during 2018, the interest rates have fallen to historic lows – although this will not last long considering the recent upward trend in inflation and the increase by the NBM of its base rate from 6.5% to 7.0%. A very important positive development in Q1:19 was the growth of the bank deposits maturity over the 1-year threshold. In terms of structural reforms, it is worth noting that the process of ensuring the transparency of the shareholders of the most important banks finished, the implementation of Basel III standards is underway, while the surveillance of non-bank crediting institutions and insurance companies has somewhat improved.

The balance of payments for the first quarter, corroborated with data on trade flows and the volume of transfers from abroad to individuals showed a worsening of the current account situation in the first part of the year. Although exports of goods increased (+8.1%) faster than imports (+6.2%), the trade deficit worsened due to the huge gap between exports and imports from the previous period. The trade in services registered a surplus, but the positive balance is not large enough to set off the huge imbalance in the trade in goods. At the same time, the transfers from migrants have slowed down significantly (-10% as compared to January-April 2018), which has exacerbated the pressure on the current account. The current account balance registered a deficit worth USD 242.0 million. As ratio to GDP, the deficit was about 10.1%, having gone slightly worse compared with Q1:18 (-9.5%). This negative balance led, in the short term, to renewed pressure on the Moldovan Leu exchange rate, which, at the end of May, exceeded the ‘psychological’ threshold of 18.00 MDL per USD. It is expected this pressure to fade away with exports expected to increase in the quarters 2 and 3.

<https://www.expert-grup.org/en/biblioteca/item/1839-mega-edi%C8%9Bia-a-xx-a-%E2%80%9Eprovoc%C4%83ri-economice-dup%C4%83-turbulen%C8%9Be-politice%E2%80%9D&category=7>

4.5 Expert-Grup: The State of the Country Report 2019

The political transition following the parliamentary elections in 2019 produced a major change of power that created preconditions for boosting the reforms’ agenda, but the fundamental weaknesses of the state of the country were not resolved yet.

The takeover of power by the multi-geopolitical opposition, which entered into a temporary coalition based on joint pro-reform commitments, put an end to the oligarchic governance under the umbrella of the Democratic Party of Moldova (PDM). Most of the reforms were initiated by the parliamentary majority formed of the Party of Socialists of the Republic of Moldova (PSRM) and the ACUM bloc aimed at reviewing and remedying the governance shortcomings of the previous governments, focusing primarily on policies initiated by the PDM. The depoliticization of institutions, judicial reform, and better use of public money and property are the major reform landmarks, equally appreciated by public and external partners (International Monetary Fund (IMF), World Bank, European Union). However, the PSRM-ACUM government, has hesitated repeatedly to carry out real depoliticization, and the initiated de-oligarchizing is strongly focused on the system previously led by Vladimir Plahotniuc, rather than on establishing a mechanism to prevent and fight the phenomenon of the ‘captured state’ by de-oligarchizing political power in a systemic and permanent manner.

The revival of the internal democratic process has resuscitated, as a ‘chain reaction’, foreign policy with both the West and the East. The rapid unfreezing of European Union (EU) budget support has considerably fostered the dialogue with the EU institutions. Thanks to the return to a proportional voting system, more rigorous investigation of the “billion dollar theft” from the banking system, the prioritization of judicial reform and the fight against political corruption etc., the PSRM-ACUM coalition has quickly gained robust credibility among external partners. At the same time, there is a firm stance towards the importance of restoring the relationship with Russia, mainly in commerce, the energy sector, and in relation to the settlement of the Transnistrian conflict. The Socialists insist on the idea of a ‘balanced foreign policy’, while the ACUM bloc shows no resistance to this. Intelligent, i.e. flexible, conditionality needs to be strictly applied to the governing parties, to discourage deviation from their commitments. At the same time, rebuilding the relationship with Russia must be free of any elements that might reduce Moldovan security, in particular by encouraging ‘hybrid’ activities in the informational space or with regard to the Transnistrian conflict resolution, carried out by the Russian authorities in the region.

On the economic side, Gross domestic product (GDP) annual growth rates have stabilized at around 4 per cent, without any significant structural changes in the national economy. Although volatility has decreased, this growth plateauing presents some significant risks. First, this level of GDP growth is insufficient to achieve convergence with Central and Eastern Europe. Moreover, such a rate will push back convergence with these countries in terms of GDP per capita by several decades. At the same time, such a slow rate of growth does not allow for a qualitative leap towards a new model of economic development. Thus, the growth paradigm remains the same: household consumption accounts for over 80 per cent of GDP and depends strongly on remittances. Such a model can hardly survive in the long-run, and the inability to accelerate and diversify the economy means that the population will continue to suffer low standards of living. The economic growth above 5% in 2019 is likely to be temporary, being fuelled by the low comparison base and the effects of the tax cuts from 2018 that will rapidly fade away.

Some marginal improvements in personal income and welfare have been recorded. Real disposable personal income is on an upward trend. Over the past decade, although with periods of stagnation and decline, the personal income grew by about 3 times in nominal terms, representing a 30% growth in real terms. This growth was also reflected in people’s perceptions of their standard of living. The share of those reporting a ‘bad or very bad’ standard of living has fallen to an historical low – 10 per cent of all households. The majority (75 per cent) believe they have a ‘satisfactory’ standard of living. Despite these positive trends, per capita income and consumption in the Republic of Moldova remain at only 40 per cent of the average in Central and Eastern Europe, without showing signs of rapid convergence. Further income growth, or accelerating the convergence with such countries, is restricted by the income structure in the Republic of Moldova. An increasing number of Moldovan households receive their main income from activities that are not linked directly to the performance of the national economy and labour productivity. In 2017, over 60 per cent of households were receiving either pensions or remittances from abroad as their income. Thus, the demographic and migration limitations create significant challenges for the sustainable and rapid growth of income for a large part of the population.

At the same time, there is a worrying level of income inequality, given the sizeable informal economy and narrow tax base that undermine the capacity of the social protection system to address this problem. About 40 per cent of total disposable income is held by quintile V (the richest category) of the population, with the Gini coefficient being estimated at a worrying level of 0.35 points. People working in agricultural are the most vulnerable: more than half of them are part of quintiles I and II (the lowest income), revealing issues with income inequality. These trends indicate that farming households are marginalized from the income growth and convergence process. Only those who have given up farming have joined this process and managed to exit the ‘poverty trap’. However, over the last few years, the level of inequality has been decreasing. More active involvement of low-income groups in migration is a factor that has narrowed inequalities. The share of remittances in the income of these households is now the same as in the high-income groups. The structural change in the social and economic status of households has been another factor that has contributed to income convergence. The number of farmers and agricultural employees has decreased, where the concentration of the poor is higher than 50 per cent of households with this status. Despite this dynamic, the level of inequality remains a major concern, poses risks to the state of the country, and calls for economic and tax policies adapted to this challenge. While the level of inequality compares well with other countries in the region, the low capacity of the social protection system to address inequality is an issue going forward. The reasons are mainly related to high fiscal imbalances, coupled with profligate fiscal

and budgetary policy before the Parliamentary elections in 2018, which limits the policy space for Government in fighting inequalities with fiscal and budgetary tools. In addition, the demographic aging process could further hinder inequality narrowing efforts, while in the medium and long-term, these processes could further aggravate inequalities due to the diminishing share of the economically active population and the increasing share of pensioners.

A major challenge for the state of the country and the economic development is related to the deprivation of the main factors that have until recently underpinned economic growth and attracted investments – remittances and cheap labour. Remittances are becoming more volatile and uncertain, and tend to shrink in the long-run, and the main factor that has attracted (the low level of) investment so far – cheap labour – is undermined by emigration, an inefficient education system, and wage growth outstripping productivity. As a result, the country's ability to generate added value is diminishing, as revealed by the slowdown in economic growth in recent years, which is expected to worsen in the future. The seriousness of the situation is also revealed by decreasing labour productivity and the stagnation of the employment rate (both being the lowest in Europe), with increasing informal employment. Thus, if Moldova does not identify sustainable sources of value added investment and exports in the coming years, the economy will deplete its ability to create jobs, income for the population and revenue for the public budget, with economic growth tending to become lower and less certain.

The slowdown in economic growth becomes even more problematic against the backdrop of a broadening current account deficit, which reveals structural weaknesses in competitiveness. This imbalance is mainly caused by the increasing gap between exports and imports, which ultimately points on competitiveness issues in the Moldovan economy and fuels risks for the long-term macroeconomic stability. It is not the deficit per se that is problematic, but rather the fact that it is determined by imports of energy products, consumption and industrial inputs, and not by machinery, equipment and know-how, which would boost exports in the long-run and balance the current account. In addition, with stagnating foreign investment and the expected decline in remittances, financing the current account deficit will become an increasingly acute problem, putting pressure on the national currency and foreign debt. In this context, enhancing the competitiveness of the national economy must be the fundamental priority for Government.

Competitiveness enhancement should be ensured on three interdependent areas: (i) the labour market; (ii) capital and investment markets; and, (iii) foreign markets for exports. Labour-force competitiveness must be enhanced by improving its quality and relevance, rather than by decreasing labour costs. In this regard, the educational system needs to be reformed so that, on the one hand, it is more flexible and able to respond to the economy's needs, and, on the other hand, instils a spirit of entrepreneurship, initiative and innovation. These efforts should be also encouraged by tax and economic policy. This will allow the harnessing of people's potential, especially of the younger generation, and will make Moldova more attractive for talent – a fundamental condition for strengthening the state of the country and its long-term competitiveness. At the same time, this should be the main sustainable factor in terms of increasing the country's competitiveness at the level of the capital and investment market. Fostering a high-skilled labour force, initiative, and openness to innovation and know-how should be the main factors behind the country's investment attractiveness and must be supported by pro-business regulation, a free market economy, transparent and non-corrupt institutions, and a rule of law that protects private property rights. This will boost competitiveness at the level of foreign markets for exports, by augmenting the technological sophistication of exports, diversifying them in terms of products/services and sales markets, and adding more value for the economy and the country as a whole.

While policies aimed at competitiveness enhancement should be intense and active, these should not compromise on sustainable development objectives related to environment protection, the integrity of investments (transparency), employees' security and human rights in general. Given scarce investment, Moldovan governments have traditionally prioritized pro-business policies and marginalized other important objectives related to sustainable development. As a result of this narrow approach to economic policies, Moldova is still lacking investment, while having weak frameworks and institutions dealing with environment protection, employees' rights and money laundering. The government should not attract investment at all costs (e.g. by granting citizenship to investors without proper screening, by capital and tax amnesties, by weakening the environment and labour protection institutions of control and enforcement). Instead, Moldova needs a balanced economic policy that would stimulate through all possible means (e.g. fiscal, regulatory, financial tools) investments that contribute to the sustainable long-term development of the country. Such investments would meet the following 5 criteria: (i) generate high-value

added; (ii) are export-oriented; (iii) create decent jobs; (iv) implement green technologies and contribute to decoupling of economic activity from the use of natural resources; and, (v) comply with the highest standards of transparency and integrity of ownership. The government should deploy a wide range of investment attraction tools for investments meeting all of the above-mentioned criteria.

All in all, the state of the country can be fostered by empowering three key elements: (i) government; (ii) private sector; and (iii) households. In a nutshell, the current state of Moldova is undermined by highly corrupt, inefficient and weak public institutions, which in turn represent the main barriers for doing business and, hence, lead to a fragile private sector, undermining the tax base, employment and the wellbeing of the population. It forms a vicious circle, because weak private sector and high poverty undermine further the public institutions by narrowing the tax base and fuelling corruption. In order to turn this vicious circle into a virtuous one, Moldova needs a complex and well-coordinated set of reforms that should be anchored in a well-defined national development strategy for the next 10 years. Policies should target the mentioned three elements that define the state of the country: (i) the government has to become more accountable and efficient, by increasing the transparency of public institutions, fostering the integrity framework, reforming the justice system and making the public sector attractive for talented professionals; (ii) the private sector should be supported by implementing balanced pro-business fiscal and economic policies (without undermining the sustainable development objectives mentioned above), providing loan guarantees for SMEs and start-ups that implement innovations, generate added value and jobs, developing business infrastructure for start-ups and easing the bureaucratic procedures (e.g. digitalization, tacit approval mechanisms, one stop shops etc.); (iii) households should be empowered by reforming the educational and health systems – top sectors of systemic and strategic importance where reforms stagnated over the last years and which determine the long-term development of the country. Hence, the structure of this edition of the state of the country report is centred around these three key elements.

<https://www.expert-grup.org/en/biblioteca/item/1873-raportul-de-stare-a-%C8%9B%C4%83rii-2019&category=7>

5 Media Freedom

5.1 Association of Independent Press: The Study of Rural Media Consumer Perception of Disinformation and Manipulation⁹

The research was conducted by the Center for Sociological and Marketing Investigations “CBS-Research”, commissioned by API, between 5 August and 9 September 2019, on a sample of over one thousand rural respondents, among individuals over 18 years old. According to the study, more than half of those questioned (58.5%) think that there are media that make propaganda and manipulate the citizens in Moldova and only 31.4% state that the media broadcast/publish true news. Similarly, only 24.6% of the respondents believe that the media are free and transparent. At the same time, each fifth respondent claims there are media outlets that deliberately disseminate false information in our country. Asked to mention the media that disseminate false and manipulative information, the respondents noted TV stations in the first place. Hence, the TV stations Publika TV (28.1%) and Prime TV (22.9%) were mentioned most often. Moldova 1 (14.2%), Jurnal TV (13.0%) and Canal 2 (10.8%) ranked in top 5. The top TV stations enjoying population’s trust somewhat differs from those that are most watched by the citizens. Hence, TV8 ranks first in the top trusted TV stations, with nearly 90% of respondents, although it does not appear among the first ten in the other top. By the level of trust, TV8 is followed by Jurnal TV, PRO TV, TVR and Publika TV.

Regarding the STOP FALS! Campaign, held by API during 2018-2019, the research authors find that a great deal of citizens have managed to inform themselves about its activities and content. Hence, 28.1% of the respondents claim having heard about the STOP FALS! Campaign and each ten resident personally attended the information/education meetings held during the campaign in the rural areas covered by project.

These are some of the conclusions reached by the study authors after reviewing the particularities of media use among media consumers in rural areas:

- Television and the Internet are the main sources of information for rural citizens;
- The share of rural inhabitants who watch TV and listen to the radio on daily basis decreases slowly but steadily while the frequency of Internet use is constantly growing;
- Facebook and Odnoklassniki are the most popular social networks among rural citizens;
- The TV station to rank first in the top of most trusted TV stations is TV8, followed by Jurnal TV and PRO TV. For radio stations, the most listened to stations are Radio Moldova, Radio Plai and Radio Noroc;
- The top five most visited web portals by the respondents are Protv.md, Jurnal.md, Publika.md, Unimedia.md and Diez.md;
- The Stopfals.md portal is part of the top five most trusted portals according to the survey respondents.

<http://www.api.md/news/view/en-api-launches-study-of-perception-of-disinformation-and-manipulation-by-rural-media-consumers-2111>

5.2 Independent Journalism Center: Media Monitoring during the Electoral Campaign for the General Local elections/October 2019

Purpose and objectives of the project: To monitor and inform the public about media behavior during the election campaign and the access of the candidates to the media. Monitoring period: September 20-November 2, 2019. Media outlets monitored: 10 tv stations with national and regional coverage.¹⁰

The full content of the main daily newscasts on each TV station was monitored, and items with a direct or an indirect election character were analyzed by content and context to determine whether they were favorable or unfavorable to a party or political entity.

⁹ <http://www.api.md/news/view/en-api-launches-study-of-perception-of-disinformation-and-manipulation-by-rural-media-consumers-2111>

¹⁰ TV stations monitored: Moldova 1, Prime TV, Publika TV, Jurnal TV, NTV Moldova, RTR Moldova, TV 8, Pro TV, Accent TV, Televiziunea Centrală.

General conclusions

Between October 21 and November 2, 2019, the following general tendencies in the coverage of the electoral campaign by ten monitored televisions were registered:

- The public television *Moldova 1* covered the second round of elections in a fair and unbiased manner, in line with professional and ethical standards. *Moldova 1* provided to both candidates for Chisinau Mayor's Office equal access to news, without favoring or disfavoring any of them.
- *Prime TV* and *Publika TV* continued disfavoring the ACUM/PPDA/PAS candidate Andrei Nastase, who was featured in several news stories with a negative connotation, while his counter-candidate Ion Ceban of PSRM appeared mostly in positive contexts and in some cases in neutral and negative context. In the second round of elections, the station favored PDM candidates in localities outside Chisinau.
- *NTV Moldova* and *Accent TV* continued openly promoting PSRM candidates, especially Ion Ceban, favoring them by means of the amount of airtime and the positive context of their appearances. Andrei Nastase of ACUM/PPDA/PAS appeared mostly in negative contexts. Tendentiousness and lack of impartiality in electoral news stories about PSRM representatives are indicative of these stations' political partisanship.
- *RTR Moldova* provided equal airtime to the two candidates in the general local elections in Chisinau. However, the PSRM candidate Ion Ceban appeared in more cases in positive light, while Andrei Nastase of ACUM/PPDA/PAS was presented mostly in neutral stories.
- *Jurnal TV*, *Pro TV*, and *TV8* covered the activities of electoral competitors in a neutral manner, ensuring pluralism of opinion and not favoring or disfavoring any competitor.
- *Televiziunea Centrală* was openly partisan towards the Shor Party and disfavored Andrei Nastase of ACUM/PPDA/PAS and Ion Ceban of PSRM.

Recommendations

- Broadcasters should use monitoring reports as self-regulation tools and should eliminate defects, so that their activity be in line with legal standards and with the Journalist's Code of Ethics:
 - To inform voters in a fair, impartial, and unbiased manner;
 - To not make judgments or comment on the electoral events of political parties or their representatives in news materials;
 - To ensure pluralism and diversity of opinion and the right to reply to all parties involved in cases of conflicts.
- The Broadcasting Council should take note and use the monitoring reports to evaluate whether the monitored TV stations respected the right to complete, objective, and truthful information.
- The Broadcasting Council should develop intervention instruments and apply them promptly and efficiently in cases of violation of legal standards by broadcasters in the coverage of electoral campaigns.
- The Broadcasting Council should apply sanctions proportionally to the frequency and degree of violations, so that the law be no longer ignored.

<http://www.media-azi.md/en/report-no-5-media-monitoring-during-electoral-campaign-general-local-elections-october-21-%E2%80%93-november>

5.3 Independent Journalism Center: Media Monitoring - Reporting on Minority Issues and Diversity in the Media

Purpose of monitoring: To determine how media in the Republic of Moldova report on topics related to ethnic minorities and other groups vulnerable to hate speech by assessing media content and comments posted by readers of news portals. Monitoring period: 7 May–7 June 2019. Media outlets monitored: 3 TV stations¹¹ and 7 web portals with national coverage.¹²

¹¹ TV stations monitored: *Moldova 1* (main news bulletin), *PRO TV* (main news bulletin and www.protv.md website), *Publika TV* (main news bulletin and www.publika.md website).

¹² *Deschide.md*, *Jurnal.md*, *Kp.md*, *Newsmaker.md*, *Noi.md*, *Sputnik.md*, *Unimedia.info*

All materials and comments related to representatives of ethnic groups and other groups vulnerable to discrimination and hate speech—refugees/migrants, LGBT community representatives, persons with physical and psychosocial disabilities—were analyzed to determine to what extent different aspects of inter-ethnic and inter-regional relations were reported and the degree of tolerance towards different categories of diversity. Also, materials that addressed subjects from the Gagauz Yeri Autonomous Territorial Unit and Transdnistria were analyzed.

General Conclusions

Media outlets in the Republic of Moldova don't pay enough attention to topics related to minorities and to diversity. As a rule, topics that are tangential to these themes are reported in the news without an in-depth, detailed and multifaceted analysis that would allow the majority to be informed and learn more about minority groups.

Ethnic minorities rarely become the theme of media reports. When material on them is published, the theme is usually related to current events, cultural activities, or crimes. Often, people suspected of committing crimes are labeled by their ethnicities. Such practices can contribute to strengthening prejudices and can lead to discrimination.

In most of the relevant material published/broadcast by the media monitored, the authors used balanced, neutral, news-specific language. The content did not promote hate speech against ethnic minorities, LGBT community, or disadvantaged groups. To a large degree, the journalists complied with deontological norms when writing and editing news about the groups monitored. Isolated cases were recorded on some portals in which the language contained stereotypic words or expressions.

Not all online media offer readers the possibility to comment on subjects they post, and some that do don't moderate the content effectively. As a result, there are comments that may perpetuate prejudice and stereotyping and incite hatred.

The most vulnerable to hate speech in online media in Moldova are Russians, Jews, and LGBT community. Negative attitudes appear in press reports about conflicts involving representatives of these groups or when the information presented is linked with politics.

Recommendations

Media outlets should include original material on diversity, minorities, and human rights in their programming. Articles should pass an in-depth analysis and provide the public with as much information as possible about the subject.

The Audiovisual Regulatory Authority should constantly monitor how minorities and human rights are respected by broadcasters and should encourage them to respect the Code of Ethics as well as the Audiovisual Media Services Code.

Newsrooms should pay more attention to moderating readers' comments taking into account the provisions of the Journalist's Code of Ethics and the recommendations of the *Style Guide with Ethical Norms for Journalists*.

Regular training for journalists responsible for managing online content is needed to help them distinguish hate speech and expressions in readers' comments.

Websites in Moldova with large amounts of news and comments should have specific employees for moderating comments and maintaining civilized discussions among readers.

Civil society should continue to be involved in actions/campaigns to combat hate speech. The responsibility of the media to build the reality of minority groups and concepts about them is crucial; therefore, they must be constantly monitored to encourage them to create realistic and accurate images of minority groups in society.

<http://www.media-azi.md/en/media-monitoring-report-reporting-minority-issues-and-diversity-media>

5.4. *Independent Journalism Center: Media Monitoring - Elements of Propaganda, Information Manipulation, and Violation of Journalism Ethics in the Local Media Space*

Purpose of monitoring: The monitoring was aimed at determining whether the media observed professional ethics or used manipulation techniques in their coverage of topics of public interest. In particular, the monitoring sought to identify the mistakes made by journalists (intentionally or unintentionally) while reporting facts, so that case studies and monitoring reports could play an educational role for professionals in the field. Another objective was to contribute to increasing consumer awareness of the risks of getting information from unsafe sources.

Media Monitored: 9 tv stations and 3 web portals.¹³

Conclusions

In the reporting period, July 1 – September 29, 2019, all 12 monitored media outlets committed violations of professional ethics and/or used at least one manipulation technique in the presentation of information. The main violation committed by editorial teams is still mixture of facts with opinions, followed by failure to ensure the right to reply and generalization.

Tendentious and ironic headlines remain in the list of “preferences” of several media outlets (**Prime TV, Televiziunea Centrală, Canal 3, NTV Moldova, Accent TV, Kp.md**). While labeling and negative image transfer are no longer present, the cases of false information returned (**Televiziunea Centrală, Prime TV, and Canal 3**), and are increasingly frequent references to sources that cannot be checked (**Canal 3, Televiziunea Centrală, Kp.md, Accent TV**). At the same time, ironic approaches are more intense now (**TV8, Unimedia.info, Televiziunea Centrală, and Accent TV**).

The most often used manipulation techniques for the 12 monitored media outlets were “internal enemy” technique, which usually goes together with the “national savior” technique (**Prime TV, NTV Moldova, Accent TV, Televiziunea Centrală, Sputnik.md, Canal 3**), and the priority information technique (**Televiziunea Centrală, Prime TV, Canal 3**). Cases of generalization are also more frequent (**Prime TV, NTV Moldova, Televiziunea Centrală, Kp.md, Canal 3, Accent TV**), as well as blurring of information (**Prime TV, Accent TV**).

Politicization of topics and their presentation from the perspective of political preferences continued. Thus, televisions **Prime TV** and **Canal 3** mostly aired the same news content, which favored the Democratic Party (PDM) and its representatives and presented in an exclusively negative light the ACUM Electoral Bloc and the Party of Socialists (PSRM). **NTV Moldova** and **Accent TV**, in their turn, favored President Igor Dodon and the PSRM in its news reports. At the same time, **Jurnal TV** sometimes politicized topics, favoring ACUM and certain politicians (Andrei Nastase).

The monitoring of **Sputnik.md** showed violations such as the lack of the right to reply and the “national savior” manipulation technique, while **Kp.md** used generalization, omission, and tendentious headlines. The public television **Moldova 1** used suggestion and the “national savior” technique. **PRO TV Chişinău** overall covered the majority of the monitored topics in a fair, neutral, and unbiased manner. **TV8** slightly abused irony, and **Unimedia.info** several times “forgot” to ensure the right to reply to the accused.

Recommendations

- The Audiovisual Council (AC), based on article 75 (*Responsibilities of the Audiovisual Council*) and article 86 (*Cooperation with civil society*) of the [Code of Audiovisual Media Services of the Republic of Moldova](#), should take note of the findings and monitor the televisions, the content of which has been reported to deliver manipulating information. These actions are necessary in order to identify violations of legislation and apply sanctions.
- The editors of TV stations are urged to supervise the editorial content so that it complies with the mission of the media to inform the public and correctly present the reality, and not with the desire of political circles to promote their interests and attack opponents.

¹³ **Television:** TV Moldova 1, Prime TV, Canal 3, Accent TV, NTV Moldova, Televiziunea Centrală (Orhei), Jurnal TV, TV8, PRO TV Chişinău; **Online media:** Sputnik.md, Kp.md, Unimedia.info.

- Reporters are encouraged to report all relevant facts on events in an unbiased manner and after verifying information, not selectively or unilaterally.
- Media consumers are advised to seek information in several media sources, in order to avoid the risk of receiving wrong and manipulating information.

<http://www.media-azi.md/en/monitoring-report-%E2%80%99Celements-propaganda-disinformation-and-violation-journalism-ethics-local-media>

5.5 Independent Journalism Center: Media Monitoring in the Campaign for 2019 Parliamentary Elections

Objective of the project: To monitor and to inform the public about media behavior in the pre-election period and during the campaign for the 2019 parliamentary elections in the Republic of Moldova¹. Monitoring period: 9 January 2019 –24 February 2019. Media outlets monitored: 12 tv stations and 16 web portals.¹⁴

The report focused on political, economic, and social events of major public interest that took place during the monitoring period, and analysed how these events were covered by the media. The language and images used by journalists, their choice of events to be covered, the correctness of source quoting, and the tone of presentation were analysed by referring to the Journalist's Code of Conduct¹⁵, guidelines and recommendations in the sphere of responsible and high-quality media², and the notions of **manipulation** and **propaganda**, as defined in the Dictionary of Sociology¹⁶.

Conclusions

In the reporting period, April 1 - June 30, 2019, all the 12 monitored media outlets committed violations of professional ethics and/or used at least one manipulation technique in the coverage of the five selected topics. The main violation, committed by all 12 outlets, is the mixture of facts with opinions. The second most common violation is selective presentation of facts, opinions, and statements, as well as failure to ensure the right to reply to the persons referred to or accused.

Tendentious and ironic headlines were used more often by some outlets (**Prime TV, Accent TV, Televiziunea Centrală, and NTV Moldova**), and for some televisions the most common problem is labelling (**Prime TV, Canal 3**). The negative image transfer technique was also quite frequently used against some politicians (**Accent TV, NTV Moldova, Canal 3, Prime TV**), followed by change of accents, which nearly caused distortion of news (**Televiziunea Centrală, Prime TV, Canal 3**). In addition, between April 1 and June 30, 2019, cases of manipulation by means of video and/or sound were the most numerous of the past two years of monitoring (**Prime TV, Canal 3, Jurnal TV**). Furthermore, in certain topics, some media (**Sputnik.md, Kp.md**) focused on the tragedy and the drama of events, seeking to play on the public's emotions rather than to provide information.

In this monitoring period, several media outlets again failed to avoid generalizations (**Televiziunea Centrală, Prime TV, TV8**), while others omitted some topics (**Canal 3, Televiziunea Centrală, NTV Moldova, Accent TV, Sputnik.md**) or blurred some pieces of information (**Accent TV**).

Politicization of topics and their presentation from the perspective of political preferences of media owners have continued. For example, **Prime TV** and **Canal 3** had nearly the same news content, favouring the Democratic Party and its representatives and showing in a negative light the electoral bloc ACUM. In their turn, **NTV Moldova** and **Accent TV** favoured in their news the Party of Socialists and President Igor Dodon.

Sputnik.md had violations such as mixture of facts with opinions, omission, and priority information technique; **Kp.md** used suggestion and published unverified information/figures. **Jurnal TV** politicized some topics, favouring ACUM and certain politicians (Andrei Năstase, Maia Sandu). The public

¹⁴ Television: TV Moldova 1, Prime TV, Canal 3, Accent TV, NTV Moldova, Televiziunea Centrală, Jurnal TV, TV8, PRO TV Chişinău; Online media: Sputnik.md, Kp.md, Unimedia.info.

¹⁵ Moldovan Journalist's Code of Conduct, http://consiliuldepresa.md/fileadmin/fisiere/documente/cod_d_rom.pdf² Guide of Style with Ethical Standards for Journalists, API, http://www.unicef.org/moldova/Ghid_Etica_Jurnalist_RO.pdf

¹⁶ Cătălin Zamfir, Lazăr Vlăsceanu, Dictionary of Sociology, Bucharest, 1998, p. 332., p. 457. <http://vignette4.wikia.nocookie.net/nccmn/images/1/1c/Dictionar-de-Sociologie-Catalin-Zamfir-LazarVlasceanu.pdf/revision/latest?cb=20150813042511&path-prefix=ro>

television **Moldova 1** blurred information in some topics. **PRO TV Chişinău, TV8, and Unimedia.info** provided mostly fair, neutral, and unbiased coverage of the topics. However, **TV8** and **Unimedia.info** had small errors: ironic accents and generalizations (**TV8**), unverified information and lack of the right to reply (**Unimedia.info**).

Recommendations

- The Broadcasting Council (BC), based on article 75 (*Responsibilities of the Broadcasting Council*) and article 86 (*Cooperation with civil society*) of the [Code of Audiovisual Media Services of the Republic of Moldova](#), should take note of the findings and monitor the televisions, the content of which has been reported to deliver manipulating information, in order to identify violations of legislation and apply sanctions.
- The editors of TV stations are urged to supervise the editorial content so that it complies with the mission of the media to inform the public and correctly present the reality, and not with the desire of political circles to promote their interests and attack opponents.
- Reporters are encouraged to report all relevant facts on events in an unbiased manner and after verifying information, not selectively or unilaterally.
- Media consumers are advised to seek information in several media sources, in order to avoid the risk of receiving wrong and manipulating information.

<http://www.media-azi.md/en/%E2%80%9Eelements-propaganda-information-manipulation-and-violation-journalism-ethics-local-media-space>

5.6 Independent Journalism Center: Media Monitoring - Public Discourse of Candidates from the Gender Perspective in the New Parliamentary Elections in Single-Member Districts

Purpose of monitoring: Analysis of public visibility (in media and cyberspace), of gender issues and of the gender language used by candidates in public discourse during the campaign for the new parliamentary elections in single-member electoral districts no. 17, 33, 48, and 50. Period: September 20–October 18, 2019. Media outlets monitored: 6 tv stations and the public radio station.¹⁷

The public discourse of female candidates and of some male candidates from the perspective of gender issues and gender language was assessed, by applying quantitative and content methods, in: 1) electoral debates organized by six television and radio stations; and 2) information published by candidates on their public/personal Facebook accounts or on their party's Facebook account.

Conclusions

- The electoral discourse of both female and male candidates was mainly focused on geopolitical or general issues and solutions.
- Gender issues, by which we mean addressing specific, explicit issues that have impact on women and/or only men in public life, did not appear in the questions asked by journalists and special guests in the programs of electoral debates.
- In the public discourse of candidates we found gender topics in three cases:
 - “Failure to comply with the 40% gender rate in the electoral lists of some political entities in the 2019 local elections, registered by the CEC,” of which the candidate Vitalia Pavlicenco of PNL spoke repeatedly during debates and in two posts on her public Facebook account;
 - “Psychological support for the women working as family assistants,” in the post on September 30 on the public account of Galina Sajin, the candidate of ACUM; or
 - “Protecting Christian faith and family values,” a traditional topic from the gender perspective, addressed by the independent candidate Petru Ursu.

¹⁷ Television media services providers: *M1, PRO TV, TV8, Vocea Basarabiei TV, Albasat TV, Nisporeni*; Radio media services providers: *Radio Moldova*.

- The dialogue between electoral opponents during debates, where there were both women and men, was based on the dispute of ideas, personal or party actions, and geopolitical issues. Labels and sexist attacks harming the dignity of the person were noted only in several situations. It was due to either political maturity of the actors involved, or to the fact that some media outlets (Radio Moldova, Moldova 1, Albasat TV) have set up rules to prohibit instigation to public violence, incitement to hatred or discrimination, harm to the dignity or reputation of another person, public offense. There was also a case when a male candidate refused to ask questions to a female candidate. For example, “Ion Tugulea: *Ms. Gutu, I wish you success! To attack a lady with questions, no way. Ana Gutu: I am strong enough to answer!*” (Albasat TV, October 8, 2019). The statements have a slight sexist hint, reflecting the traditional perception that women are weak beings and should be protected even in the debates.
- The language used by the majority of candidates and journalists, both men and women, was not gender balanced:
 - Masculine forms of words meaning jobs, the status of candidate, president, Member of Parliament were used instead of female forms when addressed to women;
 - Addresses were formulated through the masculine plural (*dear citizens, dear voters, fellow citizens, friends*), which excluded the female public;
 - Only the moderator of electoral debates on TV8 naturally used feminine forms in relation to the female candidates who participated in those debates.

Recommendations:

- When drawing up electoral offers, candidates should take into consideration the current gender issues. They should be included in everyone’s programs, especially in the programs of female candidates standing for Parliament and facing gender-based discrimination in their private and public, including political, life.
- In the programs of debates and in other media products, candidates and journalists should use fair and appropriate language, non-discriminatory in relation to gender. In this context, we recommend consulting the guide *Gender Balance in Media Products*¹⁸, the study *Non-sexist Language*¹⁹, and the recommendations of the European Parliament²⁰.

<http://www.media-azi.md/en/public-discourse-candidates-gender-perspective-new-parliamentary-elections>

¹⁸ BUNDUCHI, I., HANDRABURA, L. Echilibrul de gen în produsele mediatice. Vademecum pentru instituțiile de presă. API, 2016, 14 p., available on https://comunicate.md/upload/9640_Ghid_gender_2016.pdf;

¹⁹ HANDRABURA, L., GHERASIM, A., BUTUC, M. Limbajul nonsexist. Repere conceptuale și recomandări practice. Studiu și Ghid, PNUD. Ch.: NovaImprim, 2018, 124 p.

²⁰ LIMBAJUL NEUTRU DIN PERSPECTIVA GENULUI în Parlamentul European, 2018
http://www.europarl.europa.eu/cmsdata/187109/GNL_Guidelines_RO-original.pdf

6 Human rights

6.1 *Legal Resources Centre from Moldova: Republic of Moldova at the European Court of Human Rights in 2018*

To raise the public awareness on the work of the European Court of Human Rights (ECtHR), the Legal Resources Centre from Moldova (LRCM) analysed the activity of the ECtHR carried out in 2018. The review is based on the ECtHR's Annual Report for 2018 and the analysis of the ECtHR's case-law on Moldovan cases. The main findings are as follows:

- In 2018, the ECtHR registered 32% fewer applications than in 2017. This decrease seems to be caused mainly by the reduction in the number of applications submitted against Turkey, Russia, and Hungary. It also appears that the popularity of the ECtHR decreases after it dismissed over 300 000 applications, without explicit reasoning in the years 2011-2018. This had a discouraging effect on lawyers;
- Despite the reduction in 2018, relative to the country's population, the number of applications filed with the ECtHR against Moldova is very high. In 2018, Moldovans complained to the ECtHR 2,5 times more than the European average;
- As of 31 December 2018, 1 204 of Moldovan applications were still pending before the Court. 93 % of them have high chances of success. This is more than the all applications on which Moldova has been convicted in the last 21 years;
- By 31 December 2018, the ECtHR delivered 387 judgments on Moldovan cases, of which 33 – in 2018. In this respect, Moldova is far ahead of Germany, Spain or the Netherlands- the countries that joined the European Convention on Human Rights (ECHR) long before Moldova and have much larger population than Moldova;
- Only in six judgments (18%) of those delivered in 2018, the ECtHR found that the Republic of Moldova had not violated the ECHR. The majority of them refer to the Transnistrian region, where the Russian Federation was convicted;
- The most frequent types of violations found in Moldovan cases by the ECtHR concern non-enforcement of judgments (old judgments); ill-treatment, improper investigation of ill-treatment and death; poor detention conditions; illegal detention; and irregular annulment of final judicial decisions;
- Based on all judgments and decisions delivered by 31 December 2018, the Republic of Moldova was obliged to pay over EUR 16,651,000 (EUR 234,050 in 2018).

In addition to the analysis of statistical data regarding the Republic of Moldova, this document contains the synthesis of judgments and decisions of the ECtHR delivered in 2018 with respect to the Republic of Moldova. This document also contains an analysis of the statistics on the ECtHR's activity as regards all states.

Previously, LRCM performed similar analyses for [2010](#), [2011](#), [2012](#), [2013](#), [2014](#), [2015](#), [2016](#) and [2017](#) and a [summary of all violations](#) found by the ECtHR in respect to the Republic of Moldova for 20 years.

<https://crjm.org/wp-content/uploads/2019/03/NA-CEDO-2018-eng-II.pdf>

6.2 *Promo-LEX: Brief Report on Promoting and Defending Human Rights in the Transnistrian Region (Legal aid and assistance & Strategic human rights litigation)*

Promo-LEX continued monitoring and advocating for human rights observance in the Transnistrian region of Moldova. In this regard, during 2019, Promo-LEX offered to Transnistrian residents over 80 legal consultations and direct representation in 17 cases. The cases referred to illegal arrest and detention, inhuman conditions of detention, violation of the right to private life, forced enrolment in the Transnistrian army, illegal confiscation of property, the lack of effective remedies, other.

Additionally, Promo-LEX filed 3 new cases on behalf of Transnistrian residents with the ECtHR. The European Court also communicated to the Moldovan and Russian Governments 6 cases, including the [case of Manole and Postica v. the Republic of Moldova and Russia](#). *The case refers to a serious incident that took place in 2005 at a peacekeeping post between two Promo-LEX members and a soldier from the Russian peacekeeping forces in the Transnistrian region.*

During 2019, the ECtHR issued 14 judgments on 30 cases represented by Promo-LEX. In all cases, the Russian Federation was found guilty of human rights violations in the Transnistrian region, while Moldova was found guilty in two of these cases.

Among the most resonant cases, the following can be mentioned:

- [Case of Iovcev and 13 others v. the Republic of Moldova and Russia](#) – the cases concerns teachers, employees and children from Latin-script schools located in the Transdniestrian region of the Republic of Moldova who were subjected to harassment, administrative and financial pressure by the regional administration. The ECtHR [found violation](#) by the Russian Federation of Article 2 of Protocol 1 (the right to education); Article 8 of the Convention (the right to respect for private and family life) and Article 5 § 1 (the right to liberty and security).
- The cases [Negruta](#) and [Filin](#) v. the Republic of Moldova and Russia have raised the issue of illegal collaboration between Moldovan and separatist law enforcement bodies. In these cases, the ECtHR [found violation](#) of the right not to be subjected to torture and inhuman treatment and of the right to liberty and security by both, Moldova and Russia.
- Case of Samatov vs. Republic of Moldova and Russia - a young man, who was forcedly conscripted in the Transnistrian “army” in 2005, where he was subject to inhuman and degrading treatment. Due to continuous ill-treatment, Ivan left the military unit. He was caught by the militia and returned to the same military unit, where the ill-treatment continued. He was also convicted to 5 years of imprisonment for “desertion”. The ECtHR [found violation](#) by the Russian Federation of Articles 3, 5 § 1 and 13 of the Convention.

So far, the Russian Federation has not executed any of the European Court's decisions on Transnistrian cases. Respectively, during 2019, Promo-LEX carried out monitoring and lobbying activities before the Committee of Ministers of the Council of Europe, responsible for the supervision of the execution of judgments. To this end, Promo-LEX updated information and made [submissions](#) on Transnistrian cases, in accordance with the provisions of Rule 9 of the Rules of the Committee of Ministers. Promo-LEX also filled several complaints to Russian authorities asking them to voluntarily execute the judgments. In addition, Promo-LEX has held [meetings](#) with decision-makers from within the Committee of Ministers and the Council of Europe.

The Committee of Ministers has [examined the issue of non-enforcement](#) of the judgment in the [case of Catan and 170 others v. the Republic of Moldova and Russia](#) during its Meetings in [March](#) and [December](#) 2019. The Committee of Ministers [firmly urged the Russian authorities](#) to provide an action plan containing concrete measures by 31 March 2020 for this case.

On June 20, 2019, Promo-LEX, together with 37 other international human rights organizations, signed a [Statement](#) calling the Parliamentary Assembly of the Council of Europe not to lift sanctions against Russia, given the serious human rights violations committed by Russia, including in Moldova, Georgia and Ukraine.

During 2018-2019, Promo-LEX participated at over 20 national and international conferences, forums, assemblies and other public events and meetings on human rights issues in the Transnistrian region of Moldova.

<https://promolex.md/category/publicatii/?lang=en>

7 Democracy and Electoral Process

7.1 *Promo-LEX*: Civic monitoring of the Police Development Strategy 2016 - 2020

The Republic of Moldova needs profound reforms in many areas. One of these reforms refers to the activity of internal affairs bodies and specifically of the Police. The importance of the police reform for is highlighted by the presence of reform objectives in the activity programs of the Moldovan government.

Police reform is a long-term process, which has been initiated prior to the approval of the 2016-2020 Police Development Strategy (PDS). At the same time, the Strategy not only ensures continuity of the reform process, it also represents the alignment of the actions planned with the provisions of the Association Agreement signed by the European Union and the Republic of Moldova. In this context, in 2016 the EU Delegation and the Moldovan Government signed a financing agreement for the “Support for police reform”, including a complementary support for the monitoring of the Police reform.

The project “Civic monitoring of the Police reform in Moldova” implemented by *Promo-LEX* Association during December 14, 2018 – December 13, 2021 is built upon the watchdog role of the civil society organizations during the implementation of the reforms, as well as on the citizens’ right to participate in the decision making process. The main objective of the action is to strengthen the accountability, efficiency and transparency of the Police Reform in the Republic of Moldova.

Among others, the most important activities envisaged by the project are dedicated to the comprehensive monitoring of the Strategy of Police Development and of the EU Budget Support Programme. As outputs, it is planned that during the project implementation period there will be produced and publicly presented 5 (semester based) monitoring reports and a final report. The reports will track the progress of the reform, will map the eventual gaps, weaknesses/limitations encountered during the reform process but also the opportunities for the improvement of the reform strategies.

It should be mentioned that the evaluation of the objectives and achievements of 2016-2020 Police Development Strategy is done by *Promo-LEX* based on a methodology prepared by an international expert and takes into consideration the Strategy’s established performance indicators and their corresponding deadlines. A scale of three levels is being used to assess the achievement of the objectives:

- fulfilled - attributed to actions / activities that were considered sufficient and relevant for the achievement of the proposed objective;
- partially fulfilled - attributed to the actions / activities that did not fully contribute to the achievement of performance indicators;
- unfulfilled - attributed to the actions / activities that did not generate the intended objective.

Thus, since the start of the project *Promo-LEX* managed to develop and made public 2 analytical reports.

The report no. 1 on civic monitoring of police reform in the Republic of Moldova was developed during February – August 2019 and represents a retrospective, post-factum analysis of the level of achievement of the objectives set to be achieved during 2016 - 2018. The analysis has been conducted by comparing the officially reported achievements with the observations made by *Promo-LEX* experts (based on the analysis of official documents, interviews with decision-makers and relevant information obtained from open sources).

Speaking about the results of the monitoring, *Promo-LEX* has found that, out of the total number of planned activities, 45 sub-actions (54%) had to be implemented by the end of 2018. In practice, until December 2018 only 13 sub-actions were completely fulfilled (29%), other 13 sub-actions were partially fulfilled (29%), 15 sub-actions were assessed as unfulfilled (33%) and for 4 sub-actions (9%) the set indicators were not measurable. Most of the fulfilled sub-actions referred to the approval of the legal and regulatory framework, while those unfulfilled referred to the institutional reorganization.

Promo-LEX also concluded that, at least five sub-actions remained unfulfilled because the approval of the Regulation on the organization and operation of the General Police Inspectorate (GPI) was delayed, which also was dragging out the implementation of other planned activities.

In continuation, during September – December 2019, *Promo-LEX* has conducted a thorough analysis of the implementation of the Police Development Strategy in the course of the first semester of 2019.

Thus, in the report no. 2 Promo-LEX has concluded that not a single sub-action out of the 15 mentioned previously as unfulfilled was achieved by the end of June 2019, considering that the deadline for implementation had expired.

Based on the findings included in the first two reports, Promo-LEX has formulated a series of recommendations and were addressed to the Ministry of Internal Affairs and General Police Inspectorate, and were meant to encourage them to implement the proposed objectives in a proactive manner. The most relevant recommendations are as follows:

- Elaboration and approval, in the nearest term, of the normative and departmental framework that will lead to the de-concentration of activities of maintaining and ensuring public order at the level of territorial subdivisions;
- Analysis of the need and opportunity of extending the competences of Police in the area of investigating money laundering offences;
- Adopting necessary measures for strengthening the capacities of Police to participate in international missions and EU crisis management operations;
- Reviewing the opportunity of extending the role of Police in preventing and combating the phenomenon of money laundering;
- Approval of the regulatory and departmental documents necessary for the reorganization of the National Patrol Inspectorate. Ensuring the operationalization of the new structure and its efficient cooperation with territorial subdivisions;
- Development of a system for assessing the individual performances, providing specific criteria for each subdivision, allowing for an objective evaluation of all employees, taking also into account the process of reversal of the pyramid of positions/functions implemented within GPI;
- Examining the opportunity to resume the activity of setting up the Council for coordination and monitoring of the external assistance; consolidate the GPI capabilities for absorption of external financial assistance;
- Adapting the Action Plan of the Police Development Strategy to the needs and evolutions that occurs in the areas of Police activity;
- Avoiding reporting the same information/achievements under different activities.

<https://promolex.md/category/publicatii/?lang=en>

7.2 Promo-LEX: Increasing Public Trust and Transparency of the Parliamentary Elections and General Local Elections Through Civic Monitoring

Promo-LEX Association - the largest, independent and apolitical NGO specialized in observation of elections in the Republic of Moldova – has conducted during 2019 two comprehensive Election Observation Missions aimed at increasing the transparency of the **Parliamentary Elections from February 24** and of the **General Local Elections from October 20 (November 3)**. Thus, the monitoring conducted by Promo-LEX was oriented towards:

- increasing public trust in the above mentioned electoral processes by conducting long-term monitoring of the pre-election period, Short-term observation during the Election Day(s) and post-election monitoring, meant to deter electoral fraud and provide impartial and non-partisan information about the conduct of election campaigns;
- increasing the transparency of the respective electoral processes through financial monitoring, audit and public reporting on the expenditures supported by elections stakeholders;
- enhancing the credibility of the vote counting process by conducting parallel vote tabulation and/or quick count of votes on E-Day(s) based on the data collected at the PEC level;
- improvement of the national electoral legislation and practices based on the conclusions and recommendations formulated by the above mentioned Election Observation Missions.

As a result, Promo-LEX has produced in total 7 election observation reports²¹, including a Final Report²², covering the Parliamentary Elections from February 24. Similarly, for the October 20 (November 3) General

²¹ <https://bit.ly/3bE2OMn>

²² <http://bit.ly/2DFwDh2>

Local Elections Promo-LEX has elaborated and made public 8 election observation reports²³ (including a Final Report²⁴).

A short presentation of the main findings and recommendation produced by Promo-LEX in the contexts of the above mentioned elections can be found below.

I. February 24, 2019 Parliamentary elections

The results of the parliamentary elections directly determine the quality, content and direction of the national decision making process. The Parliament elected in 2014 enjoyed a complete mandate. A distinctive feature of the activity of the 2014–2018 legislature was the high rate (38%) of MPs who changed their political affiliation. The pre-electoral period was also characterized by actions that can be described as government's attempts to intimidate various actors involved in the electoral process.

The **legal framework** of the parliamentary elections in the Republic of Moldova has undergone substantial changes since the last parliamentary elections and the electoral system itself has been modified. The change of the electoral system, although conducted more than a year before the elections, bypassed the main recommendation of the national and international experts – not to make the change or not to adopt the mixed electoral system. In addition, in the year preceding the elections the principle of stability of electoral law has been violated by organizing a referendum on the same day with the parliamentary elections, as well as by other amendments done to the electoral legal framework.

The legislators have also ignored some previously formulated recommendations that are fundamental for the integrity of electoral processes, such as defining administrative resources in line with international standards and qualifying organized voter transportation as a violation of the law. As a result of the February 24, 2019 Parliamentary elections, Promo-LEX has identified a series of additional legal uncertainties that refers to the procedure for solving complaints on the Election Day; freedom of expression on the Election Day; suspension of the activity of the persons holding responsible positions, etc.

The activity of the **electoral bodies** can be characterized as preponderantly transparent and conducted on time. The CEC has adopted a total of 312 decisions, while at least 4 decisions were approved bypassing the procedure of public consultation. Constituency councils have been established within the legal limits. Gender balance has been respected when designating the members of District Electoral Commissions (DECs). At the same time, the composition of most councils (34 out of 51) has been constantly changing; in particular, the modification applied to the members of parliamentary parties (54.24%).

As with regard to the establishment of the polling stations (PS), initially, there have been set up 2,143 PSs, while on the Election Day were operational 2,141 Precinct Electoral Bureaus (PEBs). The government reduced the number of PSs opened in Canada by two units due to the ban of the host state. Thus, out of the total number of PSs, 123 were created for the single member constituencies (SMCs) situated abroad and 47 for those in the Transnistrian region. The establishment of PSs abroad was done by the Government and CEC in the absence of a legal and methodological basis to justify the legal criteria used for the number and location of the polling stations. The Observation Mission has found instability in the PEB membership, this being modified in the case of at least 31% of the PEBs, as well as a significant imbalance in the composition of the PEB, with 84.76% women being in leading positions.

Speaking about the **designation and registration of candidates**, in the national constituency (NC), the CEC received 15 files and registered 15 electoral candidates, including 14 socio-political organizations and one electoral bloc. No competitor has been excluded from electoral race. Promo-LEX OM qualifies the elections in the NC as competitive. A total of 632 candidates have been registered on the national lists, of which 264 are women and 368 – men. The gender quota of 40% has been respected, even though women were by far not on the top of the lists of candidates.

In the single member constituencies (SMC), 401 initiative groups (IGs) have been registered in 51 SMCs to collect signature in order to nominate a candidate. Of these, 75% (300) were formed by political parties and only 25% by independent candidates (ICs). Although the number of signatures required to be collected fell within the limits set by the Venice Commission standards (1%), almost 10% of the IGs did not return the completed lists, most of them being independent candidates. At the same time, we found a low (21%) rate of inclusion of women in the electoral process in the SMCs. Of the 361 IGs submitting registration files, 329

²³ <https://bit.ly/3bF4eWY>

²⁴ <https://bit.ly/2xAlgH5>

candidates (91%) have been registered, of which 82% (270) have been nominated by political parties and only 18% (59) by ICs. In some SMCs, the competitiveness has been affected by ambiguities surrounding the signature validation procedures, as well as by different practices of the courts.

In general, **electoral candidates** have displayed increased activism both during the electoral campaign and over the electoral period, as a whole. The electoral competitors held at least 611 campaigning activities before the official beginning of electoral campaign and a minimum of 2,829 activities during the electoral campaign period. The most used promotional activities were: meetings with voters (51%), distribution of electoral materials (29%), posting electoral materials (7%) and electoral debates. This electoral campaign has been marked by an increased use of administrative resources (536 cases), which is 8 times more than during 2016 presidential elections. Promo-LEX also observers reported at least 188 cases qualified as gift offerings, use of public authorities' image in electoral campaigning (5 cases), placement of electoral advertising in unauthorized places (113 cases), use of violence in electoral campaigning (15 cases), etc.

Furthermore, in this electoral campaign, competitors continued to use **hate speech** and elements of discrimination. In 24 cases, the candidates were directly targeted by hate speech messages issued by public figures or other competitors. Also, electoral competitors generated at least 12 situations/ messages that incite hatred and discrimination. In terms of the forms of hate speech, in at least 14 cases of 36 identified (about 40%), sexist prejudices and gender stereotypes were used.

Funding of the initiative groups (IGs) and electoral candidates. Expenditures reported by the Initiative Groups (IGs) to the CEC largely accounted for promotional materials (51%), advertising (29%), transportation costs (8%), events (7%), additional maintenance costs (5%). Following the monitoring of de facto expenditures incurred by the IGs, Promo-LEX estimated an unreported amount of at least 3,9 billion MDL (compared to the officially reported amount of 1,6 billion MDL) for the entire signature collection period. The largest share of unreported expenditures (83%) was on public events / meetings, which were not reflected in the reports submitted by the IGs to the CEC.

As with regard to the costs incurred during the electoral campaign period, the total amount of revenues & expenditures accrued and reported to the CEC by electoral competitors reached the amount of about 64 billion MDL. The candidates' financing sources have been collected from 2,358 individuals (approx. 40 billion MDL), 28 donations from legal persons (approx. 16 billion MDL) and other sources (bank transfers from the parties' current accounts to the "Electoral Fund" of the candidates, material donations and credits from the state budget). Concerning the expenditures incurred by candidates, Prom-LEX noted a lack of reporting on the rent of campaign venues, remuneration of electoral staff and volunteers / campaigners, observers and representatives with voting rights on the Election Day. The reporting was relatively more transparent with respect to such costs as advertising, promotional materials, public events. Still, given the total amount of estimated unreported expenditures of at least 5 billion MDL, the financial transparency of the election campaign can be assessed as rather low.

The quality of **voters' list** remains an unresolved issue in Moldova. In the context of the parliamentary elections of 24 February 2019, the data from the State Registry of Voters (SRV) indicated a steady increase in the number of voters, contrary to the natural decrease recorded in the year of 2000. There is also differences in the number of voters in the SRV and voters' list. Another significant problem of the elections organized under the mixed electoral system was the limitation of the right to express their political will for over 200,000 non-domiciled/non-resident voters in the SMC. The mechanism for transmitting voters' lists to the Precinct Electoral Bureau was defective – only in 368 PSs (26.29%) the PEB members confirmed the observance of the legal deadline. Monitoring of voters' list at the PEBs revealed that most frequent deficiencies are: erroneous assigning of voters to the PSs (30.31%); address errors (20.37%) and presence of deceased persons on the lists (16.44%).

A specific set of findings observed by Promo-LEX refers to **electoral litigation process**. The DEC registered 121 complaints/appeals, while CEC received 86 complaints and adopted resolutions with respect to 46 of them. Most of the complaints filed with CEC – 40 out of 86 – concerned the registration / non-registration of electoral candidates. Promo-LEX observed a differentiated approach used by the CEC and courts in similar cases for interpreting the conditions for validating signatures collected by the candidates. Promo-LEX also considers that the rules for collecting signatures are disproportionate in relation to the individual's right to be elected. The courts examined 96 electoral disputes (litigation initiated both in the court of first instance and at the Court of Appeal), of which 49 – held before the day of elections, 39 – on the Election Day and 8 after the Election Day. From the total number of 96 disputes examined by the courts, 39 refer to the violation of the

voting right (voting with expired identity papers by citizens living abroad, voting of non-domiciled/non-resident voters in the SMCs) on the Election Day, qualified by Promo-LEX as limitations of the voters' freedom to express their will.

During the **Election Day** Promo-LEX observed the voting process in 2,094 PSs (in all 2,188 on the territory of the Republic of Moldova and 76 abroad) of the total of 2,141 PSs set up. The closure and opening of polling stations have generally been carried out without incidents that could affect the integrity of the electoral process. At the same time, Promo-LEX repeatedly warned about the non-compliance of the PEBs with all the regulatory requirements for the vote counting process. During the Election Day Promo-LEX reported 1,118 incidents. The most frequently reported incidents were related to deficiencies in voters' list (129), organized transportation of voters to the polling stations (123), photographing of ballot papers or other cases of non-observance of the secret of voting (107). Another trend noticed during the Election Day refers to the increase in the number of cases of material rewards offered to voters (59 cases), most of them being reported in the polling stations, where citizens from the Transnistrian region voted. Also, in at least 51 PSs (2.4%) the Mission's observers have not been provided the protocols on vote counting.

Having analyzed the protocols collected by the observers in the polling stations, the parallel vote counting conducted by Promo-LEX indicates that the final results are in line with those announced by the CEC, both in the national constituency and in the 51 SMCs. However, the Mission noted an increase in the number and share of protocols filled out with mistakes in the verification formulas, compared to the previous polls (6.8% in the national constituency and 7.6% in the SMCs).

All of the above mentioned findings were reflected in a set of **36 recommendations** formulated and **presented to the relevant stakeholders**, including the Parliament of the Republic of Moldova, Central Electoral Commission, the Government and other state bodies, as well as to the political parties & electoral contestants. Among others, the following recommendations could be considered as priority ones:

- revision of the deadline for the submission of final reports on the financing of electoral campaigns;
- amendment of the legal framework in order to allow for the start of the electoral campaign within the same term;
- explicit regulation of the procedure for the withdrawal of electoral competitors;
- defining the administrative resources in line with international standards and setting appropriate sanctions for their misuse;
- amendment of the legal framework in order to allow Moldovan citizens to vote abroad on the basis of the identity card;
- amendment of the legal framework in order to offer the possibility to vote in single member constituencies for citizens who do not have domicile/residence;
- definition and regulation of the organized voter transportation, establishing exact sanctions for such a violation;
- regulating the funding of political parties, electoral competitors & initiative groups by the Moldovan citizens temporarily living abroad;
- ensure the transparency of opening polling stations abroad by transmitting the responsibilities to open such PSs from the Ministry of Foreign Affairs and European Integration to the CEC;
- amend the CEC Regulation on the status of observers and the procedure for their accreditation in order to allow observers to present their findings during the Election Day.

II. 20 October (3 November) 2019 General Local Elections

Political Context. 898 mayors and 11 580 local councilors of first-level and second level (100 less than in 2015) were to be elected in the course of the general local elections of 20 October 2019. The party switching by the local elected officials was a distinguishing feature of the relations established in the political-administrative system during the inter-election period (2015 - 2019). The pre-election period was marked by the delay in the process of establishing a new parliamentary majority and by the uncertainty regarding the date for holding general local elections. The background of the 2019 local elections was characterized mainly by such topics as de-oligarchisation or state de-capture and efficient management of administrative-territorial units, and less by geopolitical issues, compared to the previous local elections.

Legal Framework. Only 4 out of 16 recommendations for the amendment of legislation previously formulated by Promo-LEX have been implemented until 2019 general local elections. The major unresolved issues were: uncertainties as to determining the date of elections; unequal treatment of independent candidates; excessive number of signatures required to be collected by the ICs in Chisinau and Balti; lack of a legal mechanism to prevent “artificial migration of voters”; lack of regulations for establishing the second round of elections.

Promo-LEX found that the legal rules for verifying the validity of signatures collected in different parts of the country and included in the same list have been misapplied. This has unjustifiably led to the refusal to register independent candidates in certain electoral constituencies and, on the contrary, to register candidates in others. Similarly, the special rule under which the right to vote in local elections is conditioned by the criterion of the voter’s domicile was not applied in a proper way. Also, the CEC’s regulatory framework is not sufficiently explicit with regard to the organization of exit polls by the relevant organizations on the Election Day.

Electoral Bodies. Local elections are more complex in terms of organizing the work of electoral bodies. CEC partially complied with the regulations on the transparency of decision making process. The lower electoral bodies (DECs of level II and I, PEB), except for DEC Bender, have been established within the legal deadlines. The deadline for the appointment of members has not been observed in around 35% of DEC I and in 11% of the PEB’s. Frequent changes in the composition of lower electoral bodies remains a problem of the electoral process. The gender composition of electoral bodies was unbalanced: in PEBs 85% of employees were women, while within CEC 100% of members are men. Promo-LEX also found that less than half of the premises of lower electoral bodies (47%) are accessible or partially accessible to persons with special needs.

Designation and registration of candidates. 26 political parties and one electoral bloc participated in the 2019 local elections and 17 of them won at least one mayor’s office. Out of 898 elected mayors, 12% have participated in elections as independent candidates. Only 22% of elected mayors are women. The independent candidates, especially those in Chisinau and Balti were disadvantaged (compared to those belonging to parties/blocks) in the registration process by the binding requirement to collect signatures in support of their candidacy. Other problems in the registration process were related to the discriminatory approaches with regard to observing gender quota in the councilors’ lists; registration of candidates on the basis of designation protocols; obligation to include in the supporters’ lists only the signatures collected in a single locality.

In general, **electoral candidates** have displayed an increased activism during the electoral campaign. The candidates held at least 2 404 promotional activities, including: meetings with voters (33%), distribution of electoral materials (23%) and posting electoral materials (22%). Unlike during the local elections of 2015, the share of electoral concerts has decreased around 10 times. The electoral campaign have been marked by an increased use of administrative resources. Promo-LEX observers have reported 191 of such cases, most of which refer to conducting electoral meetings with the employees of public institutions during working hours. However, compared to the 2019 parliamentary elections, this indicator has decreased by more than 3 times. Also, Promo-LEX observers reported at least 34 cases that can be qualified as gifts offering, almost six times less than in the 2019 parliamentary elections. Other violations were as follows: the use of electoral advertising in violation of the applicable legal provisions (171 cases); promotion of candidates with the use of the image of personalities from abroad (10 cases); the use of public authorities’ image in electoral campaigning (10 cases); use of violence in electoral campaigning (5 cases).

Similar to the previous parliamentary elections, the candidates continued to use during 2019 general local elections **hate speech** and elements of discrimination. The most prevalent were the sexist prejudices, gender stereotypes and prejudices against people with mental disabilities. In 26 cases, the candidates were directly targeted by hate speech messages by public figures or other candidates, while in 11 situations the candidates have generated messages that incited hatred and discrimination.

As with regard to the **funding of electoral campaign**, Promo-EX found that political parties/electoral blocks mostly complied with the requirement to submit financial reports to the CEC, and on contrary, only 20% of the ICs have submitted reports with DECs. The total amount of revenues and expenditures reported by 22 electoral candidates for the entire electoral campaign (round I and II) is about 19.7 billion MDL. The candidates’ sources of funds consisted of the political parties’ resources (55%) and financial donations made by individuals (40%). Promo-LEX found 26 electoral candidates partially or fully failed to report their expenditures during electoral campaign in a total amount of about 6 billion MDL. According to Promo-LEX observers, the candidates failed to report at least 2.2 billion MDL spent for street advertising, 1.4 billion MDL for the

remuneration of their volunteers/observers and representatives with consultative vote, 1.1 billion MDL for electoral events/concerts, and 0.9 billion MDL for the rent and maintenance of campaign offices.

The continued increase in the number of voters (against the negative natural population growth from 1999 onwards) has again raised uncertainty with regard to the quality of management of the State Registry of Voters (SRV), and implicitly of the **voters' lists**. The accessibility of citizens to the voters' lists (a restricted version of the basic lists, containing only the first name, last name, year of birth) has been improved by ensuring their publication on CEC's website and in the PSs. On the same time, Promo-LEX contested the limitation of observers' access to the basic voters' lists in full format. A series of problems with the quality of basic voters' lists were revealed by Promo-LEX, including: deceased persons in the lists, wrong attribution of voters to the PSs, non-inclusion of voters in the basic voters' lists, artificial migration of voters, etc.

A specific set of findings observed by Promo-LEX refers to **electoral litigation process**. Promo-LEX has identified and analyzed at least 283 complaints lodged with electoral bodies: CEC (53), DEC II (194) and DEC I (36). Most of the complaints (58%) have been lodged against actions/failures to take action as well as against the decisions of the electoral bodies. The main topics of complaints lodged therein were: registration/lack of registration of electoral competitors (34%), the use of administrative resources (16%) as well as conduct of illegal electoral agitation (15%). The electoral bodies have granted their approval in respect of only 12% of the aforementioned complaints.

During **Election Day(s)**, Promo-LEX observed the electoral processes in 794 PSs (for the first round, on 20th of October 2019) and in 307 PSs established in Chisinau constituency (in the II round, held on 3rd of November 2019). The closure and opening of polling stations have generally been carried out without incidents. The accessibility of PSs for voters with disabilities remains an unresolved issue. Securing the PSs' heat supply has been deficient, in particular in PSs located outside Chisinau municipality. Promo-LEX once again observed the non-compliance of PEBs with the regulatory framework for the vote counting. 563 incidents have been reported during both rounds (I round – 405, II round – 158), which represents a significantly decrease compared to the parliamentary elections of 24 February 2019 (1118 incidents). The most frequently reported incidents were: unjustified presence of unauthorized persons in the PSs or within 100 m from it (71), deficiencies in voters' list (69), electoral agitation on the Election Day (31), as well as material rewards offered to voters (16 cases). The results of the parallel vote counting performed by the Promo-LEX for the positions of mayor of Chisinau, Balti and Comrat municipalities show insignificant differences compared to the official results announced by the CEC. It is worth mentioning that the share of protocols filled out by PEBs with errors in the verification formulas has decreased compared to parliamentary elections of 24 February 2019.

All of the above mentioned findings related to the 2019 general local elections were reflected in a set of **recommendations** presented to the relevant stakeholders, including the Parliament of the Republic of Moldova, Central Electoral Commission and other state bodies, as well as to the political parties & electoral contestants. Among others, the following recommendations could be considered as priority ones:

- amendment of the Electoral Code in order to establish a fixed date for conducting general local elections;
- prevention of the „artificial migration” of voters by establishing a certain period before the elections, when the assigning voters to certain addresses / polling stations would be “frozen”;
- creating equal conditions for candidates registered in local elections by imposing the mechanism of collecting signatures in their support for all categories of competitors;
- revising the number of signatures required for a candidates' registration for the position of mayor;
- defining the administrative resources in line with international standards and setting appropriate sanctions for their misuse;
- establishing legal mechanisms to prevent, combat and punish hate speech during the electoral period;
- completion of the Electoral Code with provisions that would oblige CEC to publish the data on the donors' domicile and occupation / place of work;
- explicit regulation of the procedures for organizing and conducting exit-polls;
- adopting legal regulations for clarifying some aspects of organizing and conducting the second round of elections;
- clear regulation of the procedure and deadlines for submitting and examining the request regarding the modification of the lists of counsellors.

<https://promolex.md/category/publicatii/?lang=en>

7.3 Legal Resources Centre from Moldova: Radiography of Attacks Against NGOs from the Republic of Moldova

The Radiography of Attacks against non-governmental organizations in the Republic of Moldova represents a joint effort to document factual and analytical information and events attempting to deteriorate the environment for the activity of civil society organizations (CSOs) in Moldova. This edition covers the period of 1 January - 31 December 2018. A similar document was also developed in 2017 and covered the period from September 2016 to December 2017.

The activity on monitoring and documentation of attacks emerged in the context of a growing number of actions aimed at discrediting and denigrating independent CSOs, after they have expressed their dissenting position regarding several actions of the government over the last few years. This fact was recently confirmed, including by international experts who visited the Republic of Moldova. In his latest report regarding Moldova, the UN Special Rapporteur on the situation of human rights defenders has expressed concern that public authorities have often discredited human rights defenders and their work, while CSOs involved in political rights have been accused of dishonesty, lack of equidistance, and following a foreign agenda not aligned with national interests.

https://crjm.org/wp-content/uploads/2019/03/2019-03-20-timeline-atacks-OSC_2018_final-ENG.pdf

8 Declarations and Appeals

Declaration on condemnation of the flagrant violation of the rules on transparent decision-making

February 6, 2019

The signatory organizations strongly condemn the way the Government of the Republic of Moldova violates legislation on transparency of the decision-making process. Thus, on January 29, 2019, a draft Government Decision on the modification of the Government Decision no. 705 of 11.07.2018 regarding the approval of the Technical Concept of the Automated Information System “State Register of Public Procurement” (SIA RSAP) (MTender) was published on the official page of the Ministry of Finance. The draft GD provides for the abrogation of points 8 and 13 of the abovementioned GD, and by this repeal it is proposed to maintain the previous SIA RSAP electronic procurement system (etender.gov.md), which, by HG 705, should have been used only as an archive. The rationale for this draft GD raises doubts. The authors point out that “the abrogation of the prenotated points is necessary given that the public procurement procedures initiated in the System approved by H.G. no. 355/2009 (i.e. the old SIA RSAP) are not yet completed and, at the same time, after their completion, the contracting authorities may make changes to the procurement contracts concluded following these procedures and the use of this system only as an archive will not ensure this”. It is true that a number of procedures launched through the old SIA RSAP (prior to the nationwide launch of the new AIS SRPP MTender) were not completed for the purpose of contract implementation. However, the old website does not provide for the publication of online contracts, thus it is not possible to modify them in the system. All changes are made on paper. **Consequently, the argumentation of the authors is not pertinent.**

On the other hand, as it was mentioned above, the draft was published on the Ministry of Finance’s website on January 29, 2019, with a deadline for collecting opinions until 13 February 2019. The next day, on January 30, 2019, this draft is included on the agenda of the Government meeting, and adopted accordingly. **Such a flagrant violation of the law on decisional transparency is inadmissible.**

In the same context, we recall that at the end of 2018, Parliament approved the significant increase of thresholds for small value acquisitions, but these procurements are not subject to the provisions of the Public Procurement Law No. 131 and are totally non-transparent. These procurements are not currently executed through the new MTender system, nor is there an obligation for contracting authorities to publish small value contracts in the system. Thus, a significant part of the public budget is used in a totally non-transparent manner, this type of procurement being most often used to avoid transparent procedures by dividing procedures.

Therefore, we reiterate the need to ensure maximum transparency of the use of public money, and we ask the Ministry of Finance **to develop and submit for approval to the Government a draft decision** that will replace the GD 665/2016 by which **small purchases over the threshold of 50,000 lei must be conducted** in compliance with minimum requirements of competition and transparency, indisputably by **using the MTender system.**

At the same time, **we urge public authorities to fully comply with the legislation on transparency of the decision-making process, and the Government and Parliament should not allow the adoption of normative/legislative acts that have been submitted for approval violating the existing rules.**

Signatories:

Association for Efficient and Responsible Governance (AGER)

Institute for Development and Social Initiatives IDIS “Viitorul”

Independent Analytical Center Expert-Grup

WatchDog.MD Community

Legal Resources Center from Moldova

East Europe Foundation

Institute for European Policies and Reforms

Institute for Public Policies

Transparency International-Moldova

Public Association “Habitat”

Association for human rights Lex XXI

Public Association Solidary Parents

<http://www.transparency.md/2019/02/06/declaration-on-condemnation-of-the-flagrant-violation-of-the-rules-on-transparent-decision-making/>

Statement by the Steering Committee of the Eastern Partnership Civil Society Forum on the situation before the parliamentary election in Moldova

February 7, 2019

The forthcoming parliamentary elections in the Republic of Moldova on February 24 2019 must be conducted in a free and fair way. We call on Moldova's judicial and electoral institutions to ensure that the country's citizens will be able to fully exercise their democratic rights. We look to domestic and international observers to give a truthful account of the election campaign and the voting on election day.

We note with concern a preliminary report by a group of election observers from the Parliamentary Assembly of the Council of Europe (PACE) who stated last month after a visit to Moldova that: **“The election campaign has just started and political parties and candidates are in general able to campaign freely. Nevertheless, the delegation was informed by different interlocutors about a number of long-standing concerns which still remain unaddressed. In particular, cases of intimidation and violence against candidates; cases of hate speech, including against women candidates; cases of misuse of administrative resources; allegations of vote buying; cases of involvement of public employees in the signature collection procedure; cases of distribution of electoral gifts during election campaign events involving charitable foundations associated with certain political parties.”**

We are also alarmed that the ruling Democratic Party and Șor Party have in the meanwhile sought to intimidate the Promo-Lex Association, by publicly questioning its professionalism and impartiality. Promo-Lex, a Moldovan NGO which is a lead monitor of the electoral process and enjoys our full confidence, has denied these charges.

Last but not least, the Moldovan courts have set a dangerous precedent by invalidating the elections last summer in a final decision, when the election of the mayor of Chisinau was simply cancelled on spurious grounds.

The Republic of Moldova faces the prospect of being captured by oligarchic clans and having its constitutional institutions brought under their control. There is a high probability that the forthcoming election will mark a major step in this direction.

We urge that the relevant institutions of the European Union react strongly if widespread electoral fraud is reported or if the election is invalidated, as happened in Chisinau last year. Were this to be the case the EU should consider imposing sanctions against officials responsible for any such decision. The report on the election by observers from PACE as well as the European Parliament and from the Office of Democratic Institutions and Human Rights will be important in this respect.

<http://www.transparency.md/2019/02/07/eap-csf-steering-committee-issues-a-statement-on-moldova-ahead-of-parliamentary-elections-urging-international-actors-to-watch-the-situation-closely/>

Statement at the High Level Conference dedicated to the X-th anniversary of the EaP

May 14, 2019

Transparency International – Moldova addressed a Statement to the High Level Conference dedicated to the X-th anniversary of the Eastern Partnership in Brussels, 14 May 2019:

“We celebrate today 10 years of EaP and there are real things to celebrate: signing AAs, DCFTA, free visa regime are achievements that are difficult to overestimate.

Nevertheless, corruption at highest level and lack of political will to seriously address this problem degenerated in some EaP countries in kleptocracy, plutocracy and state capture. The last ones, in their turn, affected the rule of law, democracy and free economic competition in our countries.

Multiple schemes of money laundering that took place in the last 10 years via banks in EaP and EU did not only affect EaP, they present a serious threat for the security of EU. In this context a new approach to the EaP is needed, an approach that helps us build a common security area and consolidate the values of transparency, democracy and accountability.

In these regards I would challenge the leaders of the EU institutions and the EaP country leaders with five proposals that will help EaP countries withstand corruption, contributing to the security of entire Europe:

- EU needs to adopt ASAP a Magnitsky Act type of a document, apply it and require similar acts from EaP countries;
- Currently a EU Prosecutor's Office is being created and we salute its creation. But we also think that the jurisdiction of this institution needs to be extended over the countries that signed Association Agreements. Since we declared our will to become part of the EU, we need to get used to the European type of law enforcement;
- Since multiple undeclared properties of some of our country leaders are held in European countries, including EU countries, we need an international agreement on the exchange of info on the assets abroad of our country leaders, members of governments, MPs, the information needs to be public;
- We need a much more transparent system of Golden Visa programs in EU and EaP with a mechanism of verification of the legality of provenience of the assets of the applicants;
- Giving creation of a number of crypto-currency mines by Russia on the territories of EaP countries that are not controlled by the EaP governance, the circulation of crypto-currencies being not regulated, this creates fertile soil for money laundering, funding propaganda campaigns, terrorism and other illegal activities, influencing the democratic process in EU. Europe needs serious policies to make many innovations, including crypto-currencies, for the economic development and not against our security. So, we need an united approach to crypto-currency."

<http://www.transparency.md/2019/05/14/statement-at-the-high-level-conference-dedicated-to-the-x-th-anniversary-of-the-eap-2/>

Declaration of the National Platform of the Civil Society Forum of the Eastern Partnership Regarding the situation in the Republic of Moldova

June 9, 2019

We are struck by the manner in which the Constitutional Court acted on 7, 8 and 9 June 2019. The Constitutional Court has interpreted the 3 month period from which the President of the country can dissolve the Parliament as being equal to 90 days, although any period expressed in months, according to the general legal rule, represents a calendar month. De facto, by this interpretation, the term during which the Parliament can vote laws and appoint a Government, was reduced from 9 June to 7 June 2019. The decision of the Constitutional Court was issued at the end of the working day of 7 June 2019, which is, according to the Court, the day on which the term has expired. The Constitutional Court was requested to decide on this matter back on 22 May 2019, as a matter of priority.

In addition, the Court has interpreted the right of the President of the country to dissolve the Parliament as an obligation, without analyzing if the other conditions imposed by the Constitution (consultation of parliamentary fractions) for dissolving the Parliament had been met. On 8 June 2019, the Constitutional Court issued two judgments declaring unconstitutional the Parliament's decisions on electing the Parliament's Speaker and nominating the Prime-Minister. The judgements were issued in less than an hour from the moment the Parliament's decisions were adopted, which were not yet signed and published. No independent judge can annul an act/document without having seen it. Moreover, the judgments of the Constitutional Court of 8 June 2018 were adopted without hearings and without consultation of the authorities, requirements imposed by the Code of Constitutional Jurisdiction.

On 9 June 2019, at the PDM request from 8 June 2019, the Constitutional Court has suspended the President of the country Igor Dodon from his function, attributing the right to dissolve the Parliament to the ex-Prime Minister, the deputy-president of the PDM, Pavel Filip. This judgment was adopted before 10:30am, in the absence of the authorities and the authors of the request, in a hearing that lasted less than 5 minutes. The hearing was not announced in advance, no information was available about the submitted request. The Constitutional Court has suspended the activity of the President of the country, even if an official request to dissolve the Parliament had not been submitted. Previously, the President Igor Dodon has announced the convening of the parliamentary fractions for 10 June 2019 to discuss the dissolving the Parliament.

The Constitutional Court activity of 7, 8 and 9 June 2019 confirms that it has compromised its constitutional role, acting exclusively in the interest of one political party. 17 NGOs, have expressed their concern about the

Constitutional Court in December 2018, when three persons (50% of the Court) affiliated to PDM were appointed in a non-transparent manner.

http://crjm.org/wp-content/uploads/2019/06/2019-06-09-Declaratie-PN-FSC-PaE-Sit-MDA_EN.pdf

Declaration National Platform of the Civil Society Forum of the Eastern Partnership Regarding the situation in the Republic of Moldova

June 12, 2019

TAKING INTO ACCOUNT the recent political events in the Republic of Moldova;

CONSIDERING the judgments and decisions of the Constitutional Court of 7, 8 and 9 June 2019,

CONSIDERING the Parliament's decisions of 8 and 9 June 2019;

CONSIDERING the major differences between the parliamentary fractions of the Democratic Party of Moldova (PDM) on the one hand, and the Socialists Party of the Republic of Moldova (PSRM), the Political Party Platform Dignity and Truth (PPDA) and the Party Action and Solidarity (PAS), the last two forming the Bloc ACUM, on the other hand;

QUALIFYING as necessary and positive the declarations of the political forces of the Republic of Moldova of 8 June 2019 on maintaining the public order;

POINTING OUT the need for respecting by all political forces, as well as the Constitutional Court and the judicial system, of the legislation, the democratic principles and the rule of law;

UNDERLYING the role of the Constitutional Court as a guardian of the respect of the Constitution and its role to contribute to a proper functioning of the public authorities, separation of powers, checks and balances among these, resolution of political disputes and not their amplification;

RECALLING the Eastern Partnership membership status of the Republic of Moldova and the documents signed with development partners;

BEARING IN MIND the important role of the civil society from Moldova in consolidating the rule of law, sustainable social and economic development of the country, as well as the role of the National Platform of the Civil Society Forum of the Eastern Partnership;

CONDEMNING the manifest deviations from the text and spirit of the Constitution and the procedure of the Constitutional Court in the recent days;

The National Platform of the Civil Society Forum of the Eastern Partnership declares:

We are struck by the manner in which the Constitutional Court acted on 7, 8 and 9 June 2019. The Constitutional Court has interpreted the 3 month period from which the President of the country can dissolve the Parliament as being equal to 90 days, although any period expressed in months, according to the general legal rule, represents a calendar month. De facto, by this interpretation, the term during which the Parliament can vote laws and appoint a Government, was reduced from 9 June to 7 June 2019. The decision of the Constitutional Court was issued at the end of the working day of 7 June 2019, which is, according to the Court, the day on which the term has expired. The Constitutional Court was requested to decide on this matter back on 22 May 2019, as a matter of priority.

In addition, the Court has interpreted the right of the President of the country to dissolve the Parliament as an obligation, without analyzing if the other conditions imposed by the Constitution (consultation of parliamentary fractions) for dissolving the Parliament had been met. On 8 June 2019, the Constitutional Court issued two judgments declaring unconstitutional the Parliament's decisions on electing the Parliament's Speaker and nominating the Prime-Minister. The judgements were issued in less than an hour from the moment the Parliament's decisions were adopted, which were not yet signed and published. No independent judge can annul an act/document without having seen it. Moreover, the judgments of the Constitutional Court of 8 June 2018 were adopted without hearings and without consultation of the authorities, requirements imposed by the Code of Constitutional Jurisdiction.

On 9 June 2019, at the PDM request from 8 June 2019, the Constitutional Court has suspended the President of the country Igor Dodon from his function, attributing the right to dissolve the Parliament to the ex-Prime Minister, the deputy-president of the PDM, Pavel Filip. This judgment was adopted before 10:30am, in the absence of the authorities and the authors of the request, in a hearing that lasted less than 5 minutes. The hearing was not announced in advance, no information was available about the submitted request. The

Constitutional Court has suspended the activity of the President of the country, even if an official request to dissolve the Parliament had not been submitted. Previously, the President Igor Dodon has announced the convening of the parliamentary fractions for 10 June 2019 to discuss the dissolving the Parliament.

The Constitutional Court activity of 7, 8 and 9 June 2019 confirms that it has compromised its constitutional role, acting exclusively in the interest of one political party. 17 NGOs, have expressed their concern about the Constitutional Court in December 2018, when three persons (50% of the Court) affiliated to PDM were appointed in a non-transparent manner.

In this context, the National Platform of the Civil Society Forum of the Eastern Partnership:

1. Encourages the Constitutional Court to urgently revise its decisions adopted on 7, 8 and 9 June 2019 and to return to legality. In order to reestablish the trust in the Constitutional Court and stabilize the situation in the country, we encourage all constitutional judges to resign;
2. Calls on all political forces in Moldova to respect the constitutional provisions and act using strictly legal instruments, without destabilizing the socio-political situation;
3. Requests the state institutions and all public officials to respect and act only according to the legal provisions and respect their legal attributions, not to allow interferences or any illegal meddling with their activity;
4. Calls on all citizens of the Republic of Moldova to act calmly, to renounce at hate speech and instigation of violence, while those willing to protest, to do so only peacefully;
5. Recognizes as legitimate the activity of the Republic of Moldova's Parliament of 10th legislature, including since 8 June 2019, which has a full mandate regarding the validation of the results of the next parliamentary elections;
6. Requests all public central and local authorities' leaders, public officials and state employees to recognize the legitimacy of the Parliament of 10th legislature, of the Government sworn in on 8 June 2019 and collaborate with the authorities legally constituted of the Republic of Moldova for ensuring good governance, deescalating the situation and respecting the will of the people expressed at parliamentary elections of 24 February 2019;
7. Requests the international development partners of Moldova to recognize the legitimacy of the Parliament of 10th legislature, of the Government sworn in on 8 June 2019 and collaborate with the authorities legally constituted of the Republic of Moldova for reestablishing the political dialogue, deescalating the situation and respecting the will of the people of Moldova expressed at parliamentary elections of 24 February 2019.

The National Platform of the Civil Society Forum of the Eastern Partnership includes 86 active NGOs from the Republic of Moldova, from areas like good governance, human rights, economic development, environment, energy, youth and social policies, syndicates and employers' unions etc.

<http://www.ape.md/en/2019/06/english-declaration-of-the-national-platform-of-the-civil-society-forum-of-the-eastern-partnership-regarding-the-situation-in-the-republic-of-moldova/>

Public Appeal addressed to Constitutional Court Judges demanding their resignation without delay

June 25, 2019

The signatory organizations and representatives deeply regret the manner in which the Constitutional Court acted between 7 and 9 June 2019, generating an unprecedented political crisis in the Republic of Moldova. The Constitutional Court issued a decision, three judgments and two opinions that failed to rely on the Constitution of the Republic of Moldova and its own case-law, as stated by the National Platform of the Civil Society Forum of the Eastern Partnership on 9 June 2019, and confirmed by the Venice Commission opinion published on 24 June 2019. By taking these decisions, the constitutional judges have caused an irreparable harm to the reputation of the Constitutional Court of Moldova. The only solution to restore the confidence and the authority of the Constitutional Court will be the immediate resignation of the constitutional judges Raisa APOLSCHII, Veaceslav ZAPOROJAN, Artur REȘETNICOV and Corneliu GURIN.

http://crjm.org/wp-content/uploads/2019/06/2019-06-25-Appeal_SCM_resignation_constitutional_judges.pdf

Appeal to the Superior Council of Magistracy for the selection of two competent and righteous

July 15, 2019

The signatory organisations urge the Superior Council of Magistracy (SCM) to select two candidates for the Constitutional Judge seats who will be genuinely righteous and competent, who are not suspected of corruption, lack integrity or manifested suspicious behavior. In the same pursuit, the signatory organizations call on the Superior Council of Magistracy to reason their decision, giving an example of a merit and transparent competition.

On 20 June 2019, the President of the Constitutional Court resigned as Judge and President of the Constitutional Court. On 26 June 2019 the rest of the five judges from the Constitutional Court resigned as well. The resignations occurred after the Constitutional Court adopted between 7-9 June 2019, six acts that were not based on the Constitution of the Republic of Moldova or the jurisprudence of the Court, as later confirmed by the Venice Commission on 24 June 2019. These have generated an unprecedented political crisis in the Republic of Moldova.

The resignation of the constitutional judges has given a chance for the competent institutions to start selecting new individuals who are competent and righteous for the positions of constitutional judges. All three institutions - the Parliament, the Government and the SCM - have announced public contests for the selection of new judges. The SCM announced the contest on 2 July 2019. The SCM announcement provided the two stages of the contest, namely preselection of the candidates and the interview, which will take place on 16 July 2019, when the contest winners shall be announced. Nevertheless, the SCM failed to explain the selection criteria nor whether if the interviews will be public.

At the contest announced by the SCM, an unprecedented number of candidates registered (14 in total) if comparing with the previous contests. This number suggests an increased interest and perhaps a confidence that this time the SCM will take merit-based decisions and select the best candidates. In view of this, as well as considering the shameful circumstances which led to the resignation of previous constitutional judges, the SCM has a particularly important mission – to select two truly competent and righteous candidates who are not suspected of corruption, lack integrity or manifested suspicious behavior. We encourage the SCM to scrutinize journalistic investigations regarding candidates who have entered the competition and other information available to them about the candidates.

Due to faulty practices of SCM on previous contests for the selection and promotion of judges in the last 4-5 years, namely the lack of selection criteria and failure to state reasons of their latest decisions on selection of constitutional judges, **we respectfully request the SCM:**

- 1) to announce the criteria for the selection of candidates for the Constitutional Judge before the interview;**
- 2) make public the interviews or at least publish them immediately after the SCM sitting if they are not to be held in the public session of the SCM;**
- 3) if the short term does not allow a thorough examination of the candidates profiles, we urge the SCM to postpone the contest or decision on the contest results for a few days;**
- 4) to select two truly qualified and competent candidates;**
- 5) to provide sufficient reasoning regarding the decision on selecting these two judges of the Constitutional Court.**

If the SCM again chooses, without sufficient reasoning to select candidates lacking integrity as constitutional judges, we call on the Parliament to urgently examine the possibility of amending existing legislation to ensure that in the future the SCM does not act in corporate or small interest groups.

Signatories:

Amnesty International Moldova

Association for Participatory Democracy „ADEPT”

Association for Efficient and Responsible Governance (AGER)

Foreign Policy Association (APE)

Association of Independent Press (API)
Center „Acces-info”
Promo-LEX
„Contact” Center
Center for Investigative Journalism
Legal Resources Centre from Moldova (LRCM)
Center "Partnership for Development"(CPD)
Watchdog.MD
CPR Moldova
Est-European Foundation
Human Rights Embassy
IDIS „Viitorul”
Institute for Public Policy (IPP)
Institute for European Policies and Reforms (IPRE)
Transparency International Moldova
Expert-Grup
Association for Human Rights Lex XXI (ADO Lex XXI)
Association of Criminal Law in the Republic of Moldova
http://crjm.org/wp-content/uploads/2019/07/2019-07-15-Appeal_SCM_selection_two_competent_righteous_constitutional_judges.pdf

Declaration regarding the Activity Program of the Government of the Republic of Moldova

**Adopted at the General Assembly of the Eastern Partnership Civil Society Forum
Brussels, 6 December 2019**

The signatory organizations members of the Moldovan National Platform of the Eastern Partnership Civil Society Forum express their concern that the Activity Program of the Government of the Republic of Moldova, invested in November 2019 and led by Ion CHICU, does not include a series of reforms from the agenda of the previous Government, led by Maia SANDU. In the opinion of the signatory organizations, this threatens the implementation of genuine reforms in such fields as sustainable development, judiciary, anticorruption, strengthening of the independence of legal institutions, improvement of the media situation and environmental protection. At the same time, the priority included in the Activity Program of CHICU's Government limiting the participation of civil society organizations (CSOs) in the decision-making process, is completely against the principles of afunctional democracy. The full text is available [here](#).

Joint Declaration of Georgian, Moldovan, Ukrainian Civil Society Platforms on Cooperation in Striving for European Integration

The civil society platforms representing civil society organisations from Georgia, Moldova, Ukraine agreed on the following:

1. Profound changes have happened in Eastern Europe in the last decade that require establishing a new format for cooperation of Ukraine, Moldova, Georgia on the way of European integration, to promote peer-to-peer exchange, policy coordination and mutual support in Association Agreement implementation and the dialogue with the EU institutions.
2. This trilateral format should be further institutionalised and include regular consultations and joint actions on the governmental, parliamentary and civil society levels. It should exist in parallel to and without jeopardising the existing Eastern Partnership multilateral structure.
3. To help each other to meet the political criteria for EU membership, the three countries should conduct discussions, experience exchange, and comparative assessments of their progress in democracy, the rule of law and good governance.

<http://ipre.md/2019/12/06/declaratia-platfomei-nationale-a-republicii-moldova-a-forumului-societatii-civile-din-parteneriatul-estic-cu-privire-la-programul-de-activitate-a-quvernului-republicii-moldova/?lang=en>

Transparency International – Moldova: Appeal on the need to immediately repeal the scheme for legalizing means with fraudulent provenience

November 20, 2019

Transparency International - Moldova has repeatedly drawn the attention of public and authorities about the risk of adopting a series of laws and programs promoted by the regime coordinated by the oligarch Vladimir Plahotniuc – laws that harm the public interest.²⁵ Particularly the "Law on Citizenship through Investments", as well as the respective program, present risks of legalizing financial means with fraudulent origin, undermines efforts to combat major corruption, to investigate bank frauds and affects the national integrity system.

Following several public debates on this topic, the Government, Parliament and Presidency of the Republic of Moldova, through a joint effort, initiated and adopted at first reading a draft law on repealing the "Law on Citizenship through Investments" (June 18, 2019).

A month later, on July 18, 2019, immediately after the meeting of the Supreme Security Council, where the subject was discussed, the President of the Republic of Moldova, Igor Dodon, declared the official suspension of the citizenship program through investments.²⁶

The decision to suspend provided for a period of 4 months to clarify all aspects related to the functionality and imminent risks of this program, as well as to verify the economic agents contracted by the Filip government in order to carry out the program.

Transparency International - Moldova expresses concern that the period granted for clarifications has expired without any results and calls on the Parliament of the Republic of Moldova to urgently adopt, in a final reading, the draft law on the repeal of the "Citizenship Law through investments" and to the President of the Republic of Moldova - to promulgate the adopted document.

Also, Transparency International - Moldova reiterates the importance of implementing the package of draft laws on the de-oligarchization of the Republic of Moldova, as well as the Declaration on the recognition of the captive character of the state of the Republic of Moldova, adopted by the Parliament on June 8, 2019.²⁷

<http://www.transparency.md/2019/11/20/apelul-transparency-international-moldova-privind-necesitatea-abrogarii-imediate-a-schemei-de-legalizare-a-mijloacelor-de-origine-frauduloasa/>

Public Call Regarding the disposition issued by the president of the Audiovisual Council

March 26, 2020

Media NGOs and the members of the National Platform of the Eastern Partnership Civil Society Forum express their concern regarding the disposition issued on the 24th of March by the president of the Audiovisual Council, Dragos VICOL, in the context of the state of emergency declared by the Republic of Moldova's authorities. The signers conclude that the adopted disposition is a violation of the legislation. Likewise, some stipulations from this document severely impede the freedom of expression of the audiovisual media service providers.

On the 17th of March, 2020, The Parliament of the Republic of Moldova has declared state of emergency in response to the Covid-19 outbreak, between the 17th of March and 15th of May 2020. The Parliament has offered a broad mandate of action to the Exceptional Situations Commission of the Republic of Moldova. On the 23rd of March, 2020, the Commission has adopted a Disposition which declares deliberative the meetings of the Audiovisual Council (AC) with the presence of at least 4 members (point 10 of the disposition), derogating the provisions of the art. 80 paragraph (3) of the Code of the audiovisual media services, which require the presence of at least 6 members. AC has 9 members.

²⁵ <http://www.transparency.md/2017/08/09/nota-de-pozitie-noile-modificari-la-legea-cetateniei-un-risc-de-legalizare-a-mijloacelor-financiare-de-origine-frauduloasa/>, http://www.transparency.md/wp-content/uploads/2018/04/Observator_8F.pdf, <http://www.transparency.md/2019/10/16/transparency-international-moldova-lanseaza-raportul-portile-spre-europa-comert-cu-cetatenie-de-moldova/>

²⁶ <http://www.jurnal.md/ro/news/d775a8efae6d7858/programul-cetateniei-priin-investitie-suspendat-ce-se-va-intampla-cu-cerurile-depuse-deja.html>

²⁷ The Government Decision nr. 39 from 8 June, 2019.

On the 24th of March, 2020, Dragos VICOL, president of the Audiovisual Council, has issued a disposition 'immediately enforceable for all the subjects of the Code of the audiovisual media services', which is to be applied throughout the whole state of emergency period in the Republic of Moldova. The president's decision comes after several doctors have told the journalists they have to work without protective equipment, sanitizers, and without salaries. In the same context, on the 24th of March, 2020, The People's Advocate has announced the intention of a significant number of doctors to submit resignation applications for the same reasons. At the same time, on the 23rd of March, People's Advocate brought attention to the crucial role of journalists and that they need to have access to information regarding the real state of affairs.

The signatory organizations express their concern regarding the illegal character of the disposition issued by the AC president. The disposition is issued with the violation of point 10 of the Exceptional Situations Commission's Provision no.3 from the 23rd of March, 2020, which allowed the Audiovisual Council to adopt decisions in meetings with at least 4 members out of 9. Likewise, the disposition was adopted in violation of art. 79 paragraph (4) of the Audiovisual Code which establishes the attributions of the president of the Audiovisual Council.

The Audiovisual Council represents the public interests in the audiovisual area and its mission is to contribute to the development of the audiovisual media services in accordance with the principles of audiovisual communication. The Audiovisual Council, not its president, has the right to approve mandatory executive decisions in this area. Any limitations of rights and freedoms during the state of emergency have to be proportionate and motivated. Through the point.10 dispositions from the Disposition no.3 from the 23rd of March, 2020, the Exceptional Situations Committee has reduced the quorum to ensure the decisions can be taken in the limits of the mandate but did not grant additional rights to the AC president.

The signers are especially concerned about point 5 of the AC president's disposition, which stipulates that *'During the state of emergency period, presenters/moderators/editors will unilaterally renounce from the enunciation of both their personal opinion and the free formation of arbitrary opinions reflecting the topics related to the COVID-19 pandemic, both in national and external context, the only reliable, truthful, impartial and balanced sources being the competent public authorities from the country and from abroad (the Exceptional Situations Commission of the Republic of Moldova, the Government of the Republic of Moldova, the Ministry of Health, Labor and Social Protection, the World Health Organization). This obligation rests imperatively on the need to ensure the maximum accuracy and complete correctness of the information, due to the essential character of the fact that the narrative must come from reliable sources, sufficiently documented from a factual point of view, with a credible and impartial approach to events'*. The mass-media NGOs and the National Platform of the Civil Society Forum warn that imposing such provisions by the AC president seriously affect the media pluralism in the Republic of Moldova. We consider that unjustified restrictions are being imposed on the verge of censorship. For journalists, these provisions could mean the impossibility of ensuring the diversity of opinions, their right of access to information being violated, and for citizens - lack of access or limited access to information and credible sources that could relate another point of view than the official one.

We note that on the 25th of March, 2020, international media organizations such as Article 19, The European Association of Journalists, Reporters without Borders and others, have urged the European Union leaders to ensure the free flow of information, as many governments around the world use the pandemic to claim excessive powers that could undermine democratic institutions, including free press. The joint statement mentions that *'The free flow of independent news is now more essential than ever, both for informing the public about the vital measures to contain the virus, as well as for maintaining public control and debate on the necessity of these measures'*.

The signatory organizations request:

1. The president of the Audiovisual Council, Dragos VICOL - to revoke or cancel the Disposition no. 2 from the 24th of March, 2020;
2. Members of the Audiovisual Council - to condemn such practices of undermining the institutional authority and limiting the freedom of expression;
3. To the Parliament of the Republic of Moldova and the Exceptional Situations Commission - to follow the activity of the institutions that abusively invoke the emergency situation in the country and adopt acts which limit the fundamental human rights and freedoms.

Signers:

- Media NGO-s: Centre for Independent Journalism, the Association of Independent Press, Centre of Journalistic Investigations, Association of Electronic Press, Acces-info Centre, the Committee for the Freedom of Press, Association of Independent Television Journalists, RISE Moldova, the Association of the Environment and Eco-tourism Journalists from the Republic of Moldova.
- The National Platform of the Eastern Partnership Civil Society Forum includes 83 active member organizations from the Republic of Moldova, representing areas such as: good governance, human rights, economic development, the environment, energy security, youth, social and labor policies, etc.

https://crim.org/wp-content/uploads/2020/03/publical-call_last-CA-decision.pdf

Public call of 24 civil society organizations that the principles of transparency and efficiency in the use of public money to be respected in the conditions of the pandemic COVID-19

Apryl 3, 2020

To: The Government of the Republic of Moldova,
The Commission for Exceptional Situations of the Republic of Moldova,
The Ministry of Health, Labor and Social Protection,
The Ministry of Finance,
The National Medical Insurance Company,
The Public Procurement Agency,
The Center for Centralized Public Procurement in Health,
The National Agency for Complaints Settlement

In the context of the state of emergency and of the COVID-19 pandemic, it is important to ensure that doctors and other professional groups that are in the front line of the pandemic fight, have all the necessary means of protection and that the patients are provided the necessary treatment for all diseases.

In this connection, in order to fight the COVID-19 pandemic and mitigate its consequences at the country level, it is of vital importance that the authorities:

- allocate sufficient funding in a timely manner to procure the means of protection, medicines, and medical equipment;
- reprioritize public procurement, based on the needs dictated by the state of emergency and public health necessities, in the context of the COVID-19 pandemic and of the predicted economic crisis;
- conduct fast, transparent and efficient procurement, in accordance with simplified procedures applicable to all urgent healthcare necessities.

In order to safeguard citizens' confidence that the authorities are taking all possible measures to save the lives of citizens, **we demand transparency and objectivity in planning and conducting urgent procurements.** Transparency is an important condition for the confidence of the society in the actions of the authorities, as well as for reducing the risks of corruption and increasing the efficiency of public procurement.

In this context, we ask the authorities:

1. **to publish detailed lists and technical specifications of the means of protection, medicines and medical equipment planned to be purchased;**
2. **to make direct purchases, including from foreign suppliers, in order to have access to the best prices, quality and delivery terms of the means of protection, medicines, and medical equipment;**
3. **to publish immediately the contracts for the purchase of the means of protection, medicines, and medical equipment, as well as the reports on the implementation of these contracts (goods, delivered quantities, etc.);**
4. **to ensure the transparency of the procedure for the resolution of the appeals; the National Agency for the Solution of the Appeals is asked to stream online the sessions for examining the**

appeals by using the modern means of video conferencing and to publish all the appeals and issued decisions on the web page of Agency;

5. to review the priorities of procurement in other areas, in order to ensure the fulfillment of all the needs of the fight against the COVID-19 pandemic and its consequences;
6. to use the possibility of carrying out with other states joint procurement procedures for means of protection, medicines, and medical equipment;
7. to increase the monitoring and control of direct purchases - without auction - of goods, services and works in order to avoid abuses;
8. to develop an open electronic system for the management of stocks of means of protection, medicines and medical equipment.

It is important to consider the following:

- **Simplified procurement procedures to combat COVID-19.** On March 17, the authorities declared a state of emergency. This allowed the Commission for Exceptional Situations to decide on the simplification of procurement procedures necessary to combat COVID-19.
- **Lack of transparency in the public procurement process and lack of adequate motives for the volume of procurements propose to be conducted in order to fight COVID-19.** Authorities have allocated several tens of millions of lei for the purchase of masks, gloves, suits, protective screens and respirators. However, the transparency and soundness of these processes are not adequate. For example, it was proposed to purchase 1,957,980 medical suits for doctors. If they are designed for multiple uses, it is not clear why it was necessary to purchase this quantity, with which almost the entire population of Moldova could dress. At the same time, people face the shortage of protective masks, which, following the example of other countries, can be procured centrally and distributed free of charge to the beneficiaries.
- **Direct purchases from foreign suppliers can reduce the cost and delivery time of goods purchased to combat COVID-19.** So far, the authorities have purchased protection means and medicines only from local suppliers. However, this limits competition and, in the context of an emergency situation, can increase costs and delivery time. However, the legislation allows authorities to make purchases from foreign companies, which could lead to increased competition, lower prices and accelerate deliveries. However, the authorities have not yet resorted to this opportunity.
- **Priorities in the use of public resources in the fight against the COVID-19 pandemic and its consequences.** According to the information in the public procurement system, some contracting authorities continue to initiate purchases of goods, services, and works, which are not a priority (cars, renovation works, etc.), taking into account the state of emergency and the forecast economic crisis.
- **Abuse of simplified procurement procedures.** Cases have been detected, when the contracting authorities, using the state of emergency, procure with the help of direct procurement, i.e. without auction, goods and services which have no connection with the fight against COVID-19 and with the protection of public health.

Given the significant impact of all the measures taken on the lives of the people of the Republic of Moldova, we ask you to consider this appeal.

The list of the organisations which subscribe to this call:

AO „Initiativa Pozitivă”

IDIS „Viitorul”

PN „Programe medical sociale”

BCU „Miloserdie”

AO „Liga persoanelor care traiesc cu HIV din Republica Moldova”

AO „Credința”

CCOE „Respirația a doua”

PN „Alianța de sănătate publică”

Centru de sprijin social „Trinity”

AO Centrul de informatii ” GENDERDOC-M”

Centrul de Resurse Jurice din Moldova

AO AGER

AO „Pentru Prezent și Viitor”

AO SMIT

AO „Adolescentul”

Consiliul Național al Tineretului din Moldova (CNTM)

AO „Centrul Regional pentru Politici Comunitare”

AO „Institutu pentru o Guvernare Deschisa”

AO „Pas cu Pas regiunea Sud”

Centrul de Sănătate și Dezvoltare Comunitară AFI

Comunitatea WatchDog.MD

Transparency International – Moldova

Institutul de Politici Publice

AO Parinți Solidari

<http://viitorul.org/en/content/public-call-24-civil-society-organizations-principles-transparency-and-efficiency-use-public>