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EUROMONITOR

Issue 3, July 2006

**European Union – Republic of Moldova Action Plan:
Assessment of progress in 2nd Quarter of 2006**

*This report is published with the financial assistance of the
United Kingdom Department for International Development (DFID)*

within the project

*European Union – Republic of Moldova Action Plan:
Making the document accessible to the Public*

*Implemented by the Association for Participatory Democracy ADEPT
and EXPERT-GRUP*

Note: *The authors have drafted this report with goodwill and good intentions. The authors are solely responsible for statements and conclusions, which are not necessarily shared by the United Kingdom Department for International Development (DFID), Moldovan Government and other institutions mentioned in this report.*

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ABBREVIATIONS AND ACRONYMES

PCA – Partnership and Cooperation Agreement;
PACE – Parliamentary Assembly of the Council of Europe;
NBM – National Bank of Moldova;
NBMi – National Bureau for Migration;
NBS – National Bureau for Statistics of the Republic of Moldova;
CC – Constitutional Court;
EC – European Commission;
CEC – Central Elections Commission;
ECHR – European Court of Human Rights;
CoE – Council of Europe;
CIS – Commonwealth of Independent States;
SCJ – Supreme Court of Justice;
MIA – Ministry of Interior Affairs;
MID – Ministry of Information Development;
IOM – International Organization for Migration;
OSCE – Organization for Security and Cooperation in Europe;
PRGF – Poverty Reduction and Growth Facility;
SPSEE – Stability Pact for South East Europe;
RM – Republic of Moldova;
EGPRS – Economic Growth and Poverty Reduction Strategy;
EU – European Union;
USD – U.S. dollar;

METHODOLOGY

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

The Action Plan is a complex document structured in seven chapters on implementation of about 300 actions more or less clearly defined, while others are very ambiguous. Being unable to monitor such a complex document, the authors of Euromonitor have focused on key actions of the Action Plan (*Priorities for Action, page 3*).

The main areas in which the progress of implementation of the Action Plan was evaluated are:

1. Democratic institutions;
2. Transnistrian conflict;
3. Consolidation of administrative skills;
4. Justice;
5. Development and economic and social reforms;
6. International trade;
7. Business climate;
8. Border control;
9. Combat of trafficking in human beings;
10. Migration management.

The authors have tried to identify what they regarded as key progresses and failures. However, this does not necessarily mean that all key segments have been covered by analysis. The authors have worked out a list of qualitative and quantitative indicators for every area of action in order to assess the progress. Independent experts have been consulted in this context. The quantitative indicators have been taken over from official statistical sources and other national and international reports. The qualitative indicators have been quantified on basis of assessments of experts. Every indicator was evaluated on the scale from -2 to +2, as follows:

- 2 major regress
- 1 moderate regress
- 0 no changes
- +1 moderate progress
- +2 major progress

The progress was calculated as a simple average of assessments of experts when external experts have been interviewed. The evolution of indicators for every field is indicated in the proper monitoring grid. The grid indicates the evolution in the second quarter of 2006, factors that conditioned this evolution, practical impact on observed developments, circumstances that favor the progress in future, risks that could compromise the progress, as well as the extent of progress.

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

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

SUMMARY

Democratic institutions

The evolution in the area of *democratic institutions* has known a moderate progress. The implementation of the provisions of the National action plan in the field of human rights (2004-2008), correlated with the provisions of the EU-RM Action Plan, outlines a series of gaps. *The Annual Report of the Center for human rights in Moldova has concluded* that the degree of respect for human rights has not changed qualitatively; the same specter of problems persists despite the measures taken by the state in order to ameliorate the situation. Similar conclusions may be inferred from *Amnesty International Report on human rights status in the world*. There were carried out a series of recommendations of the Council of Europe, but there are still significant arrears at this chapter. The Government ensures the enforcement of the ECHR's judgements in individual cases, usually paying the compensations during the last days of the term established by the decisions of the ECHR. At the same time, the Executive protracts the enforcement of the decisions regarding the actions of general and legislative-normative nature, and the undertaking of certain measures for verification of culpability of issuers of the decisions that have caused damages to the plaintiffs at ECHR. Although, in general, the right of association is respected, a series of cases insistently raise the issue of harassment of the leaders of opposition parties. Upon the adoption of the Law on equal chances for women and men, the Government has instituted the *Governmental commission for equality between women and men*. The most important achievements relate to the amelioration of the cooperation between the public institutions and civil society organizations, and the improvement of the legislative frame. The main attested drawbacks pertain to the adequate application of amended legal norms, the most eloquent cases being the ones regarding the prevention of torture and the freedom of media.

Transnistrian conflict

Negotiations concerning the Transnistrian dispute in the 5+2 format have remained blocked starting with March 2006. During the visit of the OSCE Chairman-in-Office, Karel de Gucht, in the Republic of Moldova, there has been expressed the necessity to initiate discussions regarding the transformation of the current pacificatory operations in Moldova altogether with international mandate and the insistence that Russia evacuates its troops and munitions from the Republic of Moldova. And during the visit at Brussels of the President of the Republic of Moldova, the High Representative for Foreign Policy and Common Security, Javier Solana, reiterated the determination of the European Union to contribute at the identification of a political solution for the Transnistrian problem. By contrast, the Ministry of Finance of the Russian Federation has offered Transnistria a non-reimbursable financial support of 50 million USD for "surviving in the conditions of the economic blockade imposed by Moldova and Ukraine", while the separatist leader Igor Smirnov and the Russian first vice-premier Alexandr Jukov have signed a protocol of collaboration. In the same context of outspoken support of the separatist regime, the Russian Minister of Foreign Affairs Serghei Lavrov declared at the meeting of the Parliamentary Assembly of the Council of Europe that Russia has fulfilled the commitments assumed at Istanbul regarding Georgia and Moldova, and the remaining troops in these regions are pacificatory forces. The only palpable success was achieved regarding the securing of the Moldovan-Ukrainian border on the Transnistrian segment that was achieved with the support of the EU Mission for Border Assistance.

Consolidation of administrative capacity

The process of **consolidation of administrative capacity** has known a relative progress in conformity with the provisions of the Strategy and Action Plan for the public administration reform. The main drawbacks refer to the fail to respect the terms of elaboration and enactment of acts and the enforcement of proposed measures. The Parliament adopted the Law regarding the amendment and completing of some legislative acts that establishes *the performance of the expertise of conformity with the European legislation* of all the drafts of legislative and normative acts before presenting them for adoption. However, there is a lack of a specific mechanism of performance of the expertise and a lack of necessary financial means for that. The specialized parliamentary commission has elaborated the *projects regarding the consolidation of local autonomy*. Due to the application of new information technologies, the transparency of the activity of the public institutions has been ameliorated. The implementation of the Salary Law in the budgetary sector did not have any significant effects, the material insurance of functionaries remaining at an insufficient level. Certain decisions of political nature have provoked conflicts, generating critiques from the opposition political forces and predicting the further amplification of contradictions. The persistence of the interference of administrative, political and economic interests is manifested through the allocation of important public resources through derogatory procedures considered to be at the limit of legality.

Justice

No major events aiming to consolidate the independence and authority of justice were registered in the field of justice reformation during the 2nd quarter of this year. After the legislative modifications made in 2005, the process of selection and appointment of judges did not become more transparent and equitable. Contests for vacancies of judges are reduced to the publication of announcements, while the information regarding the regulation of the contests, participating candidates, and those selected is not published. The process of appointment of judges is still protracted. Despite certain progress attested in the field of court decisions enforcement, the percentage rate of the actual enforcement constitutes only 40%. The political independence of magistrates remains a problem; however, the interference of authorities in the justice process has decreases in intensity, having a more veiled character. The most important

achievement is the adoption of the Law regarding the National Institute of Justice; however, the process of applying the law will last for about a year. No major progress was attested regarding the material insurance, the representatives of the public administration estimating the financing as sufficient and in conformity with the international standards. At the same time, by contrast, the representatives of the judicial system and independent institutions require the essential rise of salaries, financing and equipment supplying of courts.

Development, and social and economic reforms

In July there was made public the data regarding the economic growth in the first quarter of the year. According to the official statistical data, in the 1st quarter of the current year the Moldovan economy has registered a 6,2% growth, with 2 points less than in 2005. The decrease in the rhythm of growth was determined by the decline of the industrial sector and the stagnation of the agricultural sector. The gross added value on the entire economy is decreasing its rhythms of growth whereas the import and product taxes are rising. Consumption based on transfers from abroad and wage rise continues to be the engine of the economic growth. The quality of growth has worsened in comparison with the previous periods. In the 2nd quarter, Moldova signed a new agreement with IMF regarding the credit program. The reestablishment of relations with IMF was possible thanks to the efforts of the Government and the National Bank to continue the reforms and to ensure the macroeconomic stability. Fiscal transparency continues to remain an extremely difficult problem. The Government and the Parliament have repeatedly admitted derogations and tax remissions that we consider as unjustifiable.

International trade

The negative tendencies of the foreign trade in the first quarter of the year, tendencies marked by a major increase of imports and an extremely reduced expansion of exports, have been even more obvious during the second quarter of 2006. One of the factors that barred the trade expansion was the embargo imposed by Russia on Moldovan exports of wine and agricultural products. The rapid increase of the trade deficit in the last period, combined with the decrease of industrial production, indicates an inadequate economy pace. Despite the fact that a significant part of Moldovan production benefits from the Generalized System of Preferences Plus (GSP+), Moldovan exports to the EU have evolved very slowly, and even decreased on certain positions. During this time period, Moldovan officials and diplomacy have made many attempts to promote Moldovan products on the Western markets, however, the effects have not been shown yet thus it is impossible to mention at present a specific market that could possibly replace the exports to Russia. If the tendencies of international trade remain like that, the economy of the country, in particular our industry, risks to face a serious crisis.

Business climate

There has been registered an encouraging progress in this area. In particular, the Government proposed and the Parliament accepted the modifications to the Insolvency Law. According to the new provisions, insolvency shall be decided upon exclusively by the court instances. The Council of State Creditors shall cease its activity, and its competence shall be carried out by the fiscal service, starting with January 2007. There was elaborated the Strategy of reforming the regulatory framework of the entrepreneurial activity in the Republic of Moldova and the Plan for implementation of this Strategy. Thus there was partly fulfilled an important obligation assumed by the Republic of Moldova within the European Union – Republic of Moldova Action Plan. The Parliament has adopted the law regarding the support of small and middle-sized businesses sector, aiming at supporting of the SMB and the consolidation of its economic and social role. There was also adopted the Strategy for supporting small and middle-sized businesses during the years 2006-2008 and the Action Plan for the implementation of the Strategy. An important progress is the adoption, in the first session, of the draft law regarding the modification of the Law nr. 1217-XIII from June 25 1997 regarding the Privatization Program for the years 1997-1998 by which a list of companies are proposed for privatization. In the area of the customs reform, the Chamber of Commerce and Industry has delegated to the Customs Service a part of its attributions regarding the certification of the origins of the merchandise. At present, this affects only the merchandise designed for export to other countries but CIS countries. The integral delegation of these competences to the Customs Service is an obligation Moldova has to fulfill within the EURMAP.

Border control

In this area, the most noticeable progress was registered regarding the insurance of the control over the Transnistrian segment of the Moldovan-Ukrainian border. The cooperation of Moldovan and Ukrainian border agencies with the Border Assistance Mission has resulted in the more efficient prevention of illegal trade and the registration of a greater number of Transnistrian companies at the State Registration Chamber in Chisinau. At the same time, the EUBAM provides a significant assistance for skills development and amelioration of the level of professional training of the border service personnel of both countries. A great progress was registered in securing the Western border, mainly due to Romania' soon adhering to the European Union. However, these positive results have been shadowed by the continuous protraction of the regulatory framework reform of Border Guard Service.

Fighting trafficking in persons

During the period of reference, certain international and national reports regarding the trafficking of human beings have shown that the situation in this area continues to degrade. Although it has continued to improve the activity of the law enforcement agencies and has made considerable efforts in this respect, the Government does not entirely meet the minimal standards required for the elimination of trafficking in human beings. We may mention also that during the

second quarter of 2006 there has been noticed an amelioration, though modest, of the coordination of the actions of the authorities and certain non-governmental organizations in the struggle with THB. On the other hand, these organizations seem to be unsatisfied by the fact that the state does not allow budgetary means for sustaining the measures for prevention of trafficking in persons. During the mentioned period, the law enforcement agencies have revealed and annihilated many persons and groups of persons who were dealing with trafficking of human beings. However, all these efforts remain insignificant because of the corruption attested within the judicial system, fact that favors the trafficking.

Migration management

In the area of migration management, the process of implementation of the Action Plan seems to stagnate also in the second quarter of 2006. This quarter seems to look more as a failure in this respect, mainly because of the institutional vacuum created as a result of the liquidation of the National Migration Bureau. Only by the end of the quarter, the process of attributions delegation has been finished, thus creating new premises for the relaunching of the implementation process of actions stipulated by the Plan, as well as the re-energization of the cooperation projects with international organizations. The efforts for signing the readmitting agreement with the state-members of the EU shall remain at the top of the agenda of Moldovan authorities. Positive results have been accomplished in the area of visa policies. Thus, the annulment of the visa regime for the citizens of the European Union may stimulate and simplify by Brussels the visa regime for the citizens of the Republic of Moldova.

1. DEMOCRATIC INSTITUTIONS

Human rights

Certain efforts were made in order to carry out the provisions of the National Action Plan in the area of human rights (2004-2008). With all that, the situation still remains precarious, fact confirmed also by the conclusions made in this respect by competent national and international institutions. The main events and evolvments related to this area are the following:

a) The publication and debate by the Parliament of the *Annual report of the Center for human rights in Moldova*. The report and the parliamentary debates have concluded that the degree of respect for human rights has not changed qualitatively; the same specter of problems persists despite the measures taken by the state in order to ameliorate the situation¹.

b) *Amnesty International Report on human rights status in the world* also includes the Republic of Moldova², attesting that human rights are further violated, especially regarding the trafficking in human beings, maltreatment and torture of inmates, limitation of the freedom of expression, activity limitation and persecution of opposition politicians. However, the revealed cases are individual and do not affect large masses of people. A different situation has been observed in the Transnistrian region where human rights are frequently violated and the authorities refuse to conform to the international decisions with universal force regarding human rights. In July, there was published the annual report "Nations in Transit" of the American Foundation "Freedom House", according to which the Republic of Moldova, although it has ameliorated certain parameters pertaining to the field of human rights and democratic practices, *still remains among the "partly free countries"*.

c) The Parliament adopted the *Law regarding the modification of the art.24 of RM Constitution*, definitively abolishing the death penalty. The parliamentary commission for human rights has stated that *the rights of the soldiers are not ensured and respected in conformity with the international norms*, though there have been registered no major violations.

Cooperation with the civil society

A series of events have attested a positive evolution in the *process of cooperation between the authorities and the civil society*. The main merit belongs to the consequent fulfillment of the Concept on cooperation between the Parliament and civil society. Among the main evolvment there are:

a) Within the seminar „ Functional fulfillment of relations between the Parliament and civil society in Moldova” there were considered the stages of accomplishment of dialogue and cooperation. The process of *updating the official web-site of the Parliament with drafts of legislative acts* has become regularity. However, the drafts proposed by the Government continue to appear without any informative notes, expertise and argumentations established by the Law on legislative acts, which reduces the transparency and makes it difficult to understand the purpose of certain initiatives. There have been attested certain cases of drafts being examined in a hurry by the Parliament, without respecting the term of 15 days established by the Parliament's Regulations Act and the mechanism of implementation of the Concept on cooperation with the civil society. The Alliance for Anticorruption has taken a position against the lack of transparency attested within the process of elaboration and promotion by the Parliament of the Republic of Moldova of the new draft of Audiovisual Code, voted for in the first reading on April 6, 2006.

b) The National Conference "Consolidation of dialogue between Government and civil society in RM" from April 26, 2006, formulated a series of conclusions pertaining to the mechanism of collaboration between Government and civil society (the elaboration of a Strategy for collaboration between state institutions and civil society; transparency insurance and cooperation between the public administration and the civil society by consulting the drafts of normative acts in the process of elaboration; the adoption of an adequate legislative and normative framework etc.). At present these proposals remain at elaboration stage; being proposed for public debates the draft of law *regarding the decisional transparency within public administration*.

c) During the period of June 27-28 there was organized the *International Conference "Transparency of decisional process: practices and perspectives"* that has concluded that the practical fulfillment of the mechanism of cooperation, stipulated by the Concept regarding cooperation between the Parliament and civil society is still deficient, both on behalf of the civil society and the Parliament.

d) The coordination unit of the public administration reform has offered civil society organizations to participate in debating of the draft law regarding the central public administration, the draft law regarding the public service and the statute of public officer.

e) Within the elaboration of draft laws regarding the local public administration reform, the amendment of electoral legislation, transparency of the decisional process etc. there was attested a strong cooperation between the Parliament and non-governmental organizations specialized in this field.

¹ www.ombudsman.md; www.parlament.md;

² <http://web.amnesty.org/report2006/mda-summary-eng>;

Equality of chances and non-discrimination

Upon the adoption of the Law on equal chances for women and men, the Government has instituted the *Governmental commission for equality between women and men*. No other significant events were attested, remaining arrears pertaining to the revision of the criminal and administrative liability legislation, the general compatibility of the legislation (regarding the existence of discriminatory regulations). The *law on struggle against violence in family* has not been adopted yet.

Issues regarding gender equality and promotion of women in public life have constituted the object of certain activities carried out by non-governmental organizations, like the national seminar „*Respect for gender equality and equal chances in politics*” and the thematic seminar „*Development of leadership and political management skills*”.

Prevention of torture. Rights of detainees

The issue of use of torture and degrading treatments appears with a strong resonance in the public opinion's attention due to the recent convictions of the Republic of Moldova by ECHR, as well as due to the actions carried out by the organizations specialized in this field. The Bar Association and Amnesty International Moldova appealed to the national and international public opinion regarding the maltreatment cases applied by the law enforcement agencies' employees, situation that has determined strong reactions from different international organizations. The situation pertaining to the rights of detainees has not known any major improvements, remaining deplorable in the majority of detaining institutions.

The major events of the II quarter refer to:

a) *Auditions carried out by the Parliamentary commission for human rights* attested concerns regarding the fact that MIA did not transmit the authority over preventive detention institutions to the Ministry of Justice, which must have been done once with the coming into effect of the Executory Code. In the majority of penitentiaries the *preventive detention conditions do not meet the minimal requirements*, while in a series of institutions they can be described as “in-humane”. According to the *UNDP Experts' Report* concerning the respect for human rights within detention institutions, more than 50 per cent of detainees declared that they live in hard and insupportable conditions, thus raising the stringent necessity of reduction of overcrowding within isolators and penitentiaries. It was also concluded that the Committee for Complaints is not accessible to all detainees; the social reintegration is not ensured. The Annual CPDOM (Center for Human Rights in Moldova) Report and the visits of the parliamentary advocates (ombudsmen) at certain penitentiary institutions have concluded that the *detaining conditions of the convicted persons do not correspond to the international standards*. The issues addressed to ombudsmen pertain to the poor quality of food, unsatisfactory supply of drinking water in cells, poor heating during winter, etc.

b) Within the press conference held on June 21 2006 a series of NGOs have notified the public opinion about the fact that after almost a year from the introduction in the Criminal code of the article that stipulates the penalty for use of torture, the *authorities do very little in the struggle with this phenomenon*. Public Prosecutor's Offices are passive in what concerns the opening of criminal records for the persons guilty for use of inadequate treatments. Subsequently, the issue raised by the Bar Association and other NGOs has known an unexpected evolution, the Main Prosecution Office warning the Bar Association that it may file *criminal records against those lawyers who bring the issue of use of torture in front of the international instances thus “damaging” the image of the country*.

c) On June 16 2006, the *new Statute on punishment execution by convicted persons* came into effect, being approved through the Government Decision nr. 583 from 26.05.2006. The document derives from the new Executory Code provisions, but it has been adopted with a one-year delay after the coming into effect of the above-mentioned Code.

Fulfillment of recommendations of the Council of Europe

By the end of June, *from the 19 chapters of the Calendar Program of legislative actions* in conformity with the Resolution and Recommendations of the Commission for respect of obligations and commitments of the member-states of the Council of Europe (approved through PD Nr. 284/11.11.2005) only a part has been fulfilled. The most important achievement is the adoption of the *Law regarding the National Institute of Justice*³. PACE reporters have expressed *their concern regarding the inconsequence of the Program fulfillment* by Moldovan authorities, bringing into attention the fact that in these conditions, the Council of Europe will maintain and strengthen the monitoring of Moldova⁴. Concerning the arrears and inadequate decisions of the authorities there can be mentioned:

a) On April 3, the *Main Prosecutor's Office remitted to court the criminal action* against the ex-general mayor of the city of Chisinau, the Chairman of the opposition party “Alianta Moldova Noastra” (AMN). Subsequently, SCJ has annulled a series of procedural acts on grounds of illegality and asked the Prosecutor's Office to cease the criminal action brought against Urechean, to which the Prosecution Office declared that it would not conform to the SCJ decision, appealing it in the Plenum of the supreme instance.

³ The Parliament has fulfilled another commitment, by ratifying the Council of Europe Convention on struggle against trafficking in human beings, but it has not been published yet and thus cannot be thoroughly applied.

⁴ The declaration on the deputy Vlad Cubreacov about the meetings with PACE reporters (www.parliament.md)

On April 4, the *Main Prosecutor's Office* remitted to court two criminal actions against the AMN deputy Ion Ciontolo, ex-president of the consumption cooperative CONSUMCOOP Tighina, charged with causing of substantial damages to the public interests.

b) The examination of the criminal cases filed against the leader of local opposition of ATU Gagauzia, mayor of Ciadir-Lunga city, Mihail Formuzal, continues. The Extended Criminal College of the Supreme Court of Justice decided upon the *displacement from the Vulcanesti court of the judging of the criminal action* filed against Formuzal, thus accepting defendant's explanatory request that refers to the political and administrative influence exercised upon the court by the ATU Gagauzia's authorities.

c) Although the previous resolutions and recommendations of the Council of Europe recommended the institution of the moratorium on language and history issues, and the Calendar program for the fulfillment of CoE recommendations stipulates the conceptual, multicultural and pluralist instructive perspective through the adoption of the Education Code, *there were attested cases that indicate to the persistence of the respective problems*. The Ministry of Education and Youth decides upon the promotion of the subject "Integrated history" and refuses the accreditation of certain lycées that have the word "Romanian" written within their name. The unannounced modification of the name of "Gheorghie Asachi" Lyceum has challenged a serious conflict. Interventions from deputies in the Parliament, political parties and non-governmental organizations did not manage to determine the Government and the respective ministry to change its position, thus the Executive has modified the names of five lycées by suppressing the "Romanian" syn-tagma out of the respective names.

d) *The Council of Europe and the European Commission intend to extend for three months the Program for the implementation of democratic reforms in the Republic of Moldova*. The decision is based on the fact that certain actions stipulated by the Program cannot be implemented before the end of September of this year, when the initially stipulated term will expire. The Moldovan authorities have requested the European institutions the extension of the term for the Program fulfillment, especially for inauguration and functioning of the National Institute of Justice and other.

e) The Council of Europe presented to the Parliament *the expertise of the Audiovisual Code* that contains a series of critiques and essential recommendations pertaining to the proposed provisions⁵. The experts and representatives of the CoE and the European Parliament recommended the consideration of the majority of the exposed recommendations, so that the law would eventually contain adequate and sufficient regulations in conformity with the European standards in this field.

Enforcement of judgements of ECHR

The Government ensures the enforcement of the ECHR's judgements in individual cases, usually paying the compensations during the last days of the term established by the decisions of the ECHR. The Executive protracts the enforcement of the decisions regarding the actions of general and legislative-normative nature, and the undertaking of certain measures for verification of culpability of issuers of the decisions that have caused damages to the plaintiffs at ECHR. The relevant events in this area are:

a) *The Moldovan Government enforced the decision* of the European Court of Human Rights regarding the case "Sarban vs Moldova", by which Moldova was sentenced to pay 4,000 Euros. Subsequently, Sarban has undertaken his activity as secretary of the Municipal Council, although the case filed against him is still under examination.

b) *ECHR judgements* pertaining to the modification of the legislation on cults (the freedom of registration and functioning of cults) and political parties (reviewing of legislation, limitation of parties' activity suspension), as well as the decision about the unconditional release of political detainees from Tiraspol, *have not been entirely enforced*.

c) *The Parliament adopted the Law for modification and completion of the Law about the rehabilitation of victims of political repressions*, which establishes the mechanism of restitution of goods confiscated from persons who have been repressed and later rehabilitated, as well as the payment of compensations equal to the value of the goods that cannot be restituted. The RM has been previously sentenced by the European Court of Human Rights for not paying the compensations for the property seized from the victims of repression. Certain law provisions referring to the obligation of the local authorities to pay compensations have been appreciated as inefficient and challenging the effective fulfillment of the restitution / recovery process.

Insurance of the freedom of association

During the second quarter of the year, no major evolutions have been attested in the field of the right to association. Parties and new NGOs appear and are registered without any impediments from authorities. The situation of the syndicates did not change, being divided in two confederations that do not cooperate, one of them having conflicts with the government, the other one being open for cooperation with the government, which makes it easier to get certain benefits. The legislation regarding parties and non-governmental organizations was not modified, neither the financing procedure, nor activity facilitation (the access to public funds, simplification and reduction of explanatory reports, in-

⁵ The text of the expertise was published on www.parlament.md

volvement in community projects etc.). Party consolidation remains to be an issue of internal interest for the political groups; no progress was achieved in this respect. At the same time, there was attested an intensification in the international cooperation of Moldovan political groups.

Certain political groups bring the issues of persecution and abuse from the authorities and law enforcement agencies. Among the events that attest the freedom of political parties can be mentioned:

a) The International Conference of Youth of the European People's Party (YEPP), organized on April 27-30 2006 with the participation of the youth organization of the Christian Democratic People's Party;

b) The efforts of the *Social Liberal Party* to accomplish the unification of all liberal forces of Moldova, the respective initiative being supported internationally and regionally, but not much within the country. Certain parties openly reject the idea of fusion on doctrinal grounds, bringing as a counterargument the process of disintegration that took place after the parliamentary election in 2005.

Among the events that outline the deficiencies in the field of the right to association are:

a) *The Republican People's Party* released a declaration through which it notifies the Main Prosecutor's Office about its intention to sue the latter for calumny if during the investigation of the RPP members regarding the participation at the parliamentary elections in 2005 the prosecutor's office "goes beyond the legal framework". The RPP states that the prosecutor's office inquires the members of the territorial branches of the party regarding the participation at the parliamentary elections in 2005, and the questions asked "are of a biased nature". Also the RPP believes that its activity as an opposition party, which intransigently criticizes the effects of what it calls "usurpation by President Voronin of the power of state", is hindered by the abuse of authorities;

b) The representatives of the Syndicates Confederation of Moldova states that *in Moldova the rights of syndicates are violated*, the central and local organs of state intimidate and exercise pressure over the members of the syndicates in order to make them become members of the alternative syndicate organization "The Solidarity", which is serving the government;

c) During the mentioned period, there was registered the Social Democracy Party that has held its constitutive congress on April 15 2006. Although the new party was registered without major difficulties, the leaders of the new political group made reference to the ungrounded delay because the Ministry of Justice had required supplementary information, that was not required by the law on parties and that has not been announced in advance as necessary for registration;

d) The leader of the social-political movement "Ravnopravie", who is also a member of the municipal council of Chisinau, made public an open letter addressed to the head of state, in which he accused the public authorities of the Republic of Moldova of persecution of political opponents with accusations of use of abuse and implication in acts of corruption. Most reproaches to the Communist Party, governing the sixth year, refer to the persecution with acts of corruption only of the leaders of the opposition parties. Thus, besides the leader of "Ravnopravie", Valerii Klemenko, who is under criminal investigation with charges of abuse, also under investigation there are: Serafim Urechean, the leader of "Alianta Moldova Noastra" (AMN) and other two AMN deputies whose parliamentary immunity was withdrawn in October 2005; Mihail Formuzal, vice-president of Republican People's Party (RPP); Victor Morev, leader of the Social Party, who is in general search.

Rights of employees

No significant progress was achieved in this field, the same problems persist: low wages; multiple violations of the labor legislation; poor development of the labor market, high (unregistered) unemployment rate. The increase of wages is insignificant, the minimal wage not being correlated to the minimal cost of living. Among the registered events there are:

a) Within a classification of 29 European countries elaborated by the Federation of the European Employers (FedEE), *the Republic of Moldova is on the last position regarding the minimal wage.*

b) According to the data of the Labor Inspection, about 90 per cent of the verified cases point out to *violations of legislation by the employers*: use of labor force without individual work agreements; the lack of collective work agreements at the unity level; the amount of salary is diminished in comparison to the real one; arrears of wages; places of work involving noxious factors are not attested; work security and hygiene are not respected etc.

c) At the meeting with the Speaker of the Parliament, the representatives of the Free Syndicates Confederation "Solidaritate" asked for *the urgent adoption of a series of laws*: the Education Code, the Law on minimal cost of living, the Law regarding the activity of the National commission for collective consultations and negotiations, the Law on prices, the Law on balneary resorts; other legislative acts pertaining to transportation, tourism, privatization and mortgage. Also there was proposed the creation of the Labor Tribunal and an extrajudicial body for the regulation of labor litigations – Labor Arbitrage. The syndicated required the modification of the Law on mandatory medical insurance, Labor Code, and Insolvency Law. None of the above-mentioned proposals was carried out.

d) The Government supported the introduction of modifications of the legislation, according to which the employees will not receive an allowance for the first day of temporary incapacity of work, the allowance being further paid by the employer, starting with the second and until the seventh calendar day. The modifications are contested by employees, employers and syndicates.

e) On the 2nd of June, the Law regarding the modification and amendment of the Labor Code came into effect, which allows the *termination of the individual work agreement on the basis of retirement of the employee or upon receiving the right for retirement for limit of age or length of service*. Different specialists and experts, including representatives of Labor Inspection and non-governmental organizations in the field of human rights consider the respective modifications as unconstitutional, a violation of human rights. The authorities have reacted to that by examining the situation and stated that in case of an accurate application of the law, the rights of the employees will not be violated.

f) The tariff wage of the employees that belong to the first qualification category and activate within the non-budgetary sphere was raised with 150 lei, reaching the amount of 700 lei per month. The representatives of the syndicates insist that the salaries of the employees with the first qualification category, both from the budgetary and non-budgetary sphere, should be correlated with the minimum cost of living that already is more than 800 lei. However, the Government believes that *the minimal wage in the country could be equaled to the minimum cost of leaving after five years, in case of an annual economic growth of 10 per cent*.

Freedom of media and access to information

Freedom of media in the Republic of Moldova remains the major concern of the international community as well as for the internal public opinion. No efficient measures have been taken in this field, the legislation has not been modified, however the number of cases filed for calumny has decreased. The elaboration and defective promotion of the draft of Audiovisual Code has challenged negative reactions from mass-media organizations, specialized NGOs and international institutions. The CoE notice to the draft Code consists of multiple critiques, concluding that the proposed version of the Code leads to regress and political control in this field. The access to information is ensured "from the office", cases of request of public information attest problems similar to the previous period (delay of presentation of information, no answer, formal answer etc.). The main events in the field:

a) According to a study of the "Freedom House" organization, *the freedom of press in Moldova remains degrading*. The Republic of Moldova belongs to the category of countries where the press is not free, with 65 points being on the 146th position regarding the freedom of press index.

b) The draft of *the Audiovisual Code was adopted by the Parliament in the first reading*, at the same time with few other laws related to this field. The examination and adoption of the draft has generated fervent parliamentary and extra parliamentary debates, there has been declared that the elaborated text constitutes "a compromise accepted by the main political forces that collaborate in the Parliament". A number of mass-media institutions have expressed their concern and formulated their proposals for the amendment of the document. A memorandum signed on April 3 by 8 specialized non-governmental organizations states that "the civil society was not involved in the elaboration process of the draft of the Audiovisual Code", the process being non-transparent. The document was criticized by the Audiovisual Coordinator Council, the Council of Europe, OSCE, Journalists' Union of Moldova, Center for Human Rights in Moldova, and different non-governmental organizations.

c) According to the communiqués of the Independent Press Association, upon the request of certain chiefs of regions, *the prosecution office ordered the control of independent regional newspapers' offices* ("Observatorul de Nord" and "Cuvintul").

d) On May 3 2006, with the occasion of the freedom of press days, the diplomatic missions and representatives of different international organizations accredited in Moldova have signed a communiqué which *reminds that Moldova made the commitment to ensure the freedom of press*, commitment also stipulated in the EURMAP. The signers express their regret that although the authorities have assumed the commitment to respect the above-mentioned values, an insignificant progress has been observed in the reformation of press; there are serious concerns: lack of progress in the transformation process of the public national broadcaster company "Teleradio-Moldova" into an independent institution; different hindrances to the press; including the impediments to the free access to information and unfair competition with the press that is directly or indirectly supported by the state; the adoption of new legislation on audiovisual without open public debates.

e) At the end of May, the Fiscal Inspectorate *suspended the operations of the bank account of "Komersant Plus" publication*, declaring that there were found out forged tax invoices in the financial reports of the publishing agency. According to the data of the administration of the publication, the invoice was issued to the publication by a "dummy company", and the tax agencies demand the payment by the publication of the income taxes for the amount indicated in the respective act, and penalties and fines established by the legislation in force. The CPRM political group of the Municipal Council Chisinau (CMC) has *warned the directors of the radio channel "Antena C" and "Euro TV Chisinau" about the initiation of their demission* if they continue to broadcast programs "of a propagandist nature and blaming the Russian people and the Soviet Army".

Monitoring Grid 1. Democratic institutions.

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of Influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
Stability and efficiency of democratic institutions	<ul style="list-style-type: none"> Stability of public institutions persists. Collaboration between the Parliament, Government and President if permanently ensured; No premises capable to undermine their stability are expected in the immediate perspective; 	<ul style="list-style-type: none"> Existence of a legislative forum of an absolute majority, constituted by the homogeneous political party PCRM; Control of the parliamentary majority and President over the Government, security and law enforcement agencies; Persistence of political partnership between parliamentary parties; 	<ul style="list-style-type: none"> Consequent implementation although with some delays of the EURMAP, EGPRS, and national programs and strategies; Significant improvement of relations with international organizations, especially with the financial organizations; Maintenance and enhancement of foreign assistance, including the political assistance; 	<ul style="list-style-type: none"> Lack of antagonisms between branches of power and main parliamentary political groups; Political, social and economic stability; Attitude and influence from European and international organizations; Signing of Agreement with IMF, payment of debts by installments to Paris Club, signing of new financial agreements; 	<ul style="list-style-type: none"> Appearance of certain tendencies of stagnation and economic progress reduction, generated by the economic blockade of the Russian Federation and the price rise for energy resources; Promotion by government of some decisions of national-political nature, forced elimination of elements contradicting the "national politics" promoted by the parliamentary majority; 	+ 1	<ul style="list-style-type: none"> General situation in the country; International organizations appreciations; Estimates of authors;
	<ul style="list-style-type: none"> An increasing activism of NGOs was registered; Cooperation with certain public institutions has ameliorated 	<ul style="list-style-type: none"> Formal opening manifested by certain public authorities (Parliament, MIAEI, Government and its main body); Consolidation of institutional and material skills of some influential NGOs; Assistance of the associative sector from donors and international organizations, including those without permanent representatives in RM; 	<ul style="list-style-type: none"> NGOs are involved in the elaboration and debate of important drafts of decisions; Specialized NGOs opinion on the draft of Audiovisual Code is examined; A number of NGOs proposals are taken into consideration at decision promotion; The draft of the Law on decisional transparency in the public administration that will legalize the basis of cooperation is almost ready; 	<ul style="list-style-type: none"> Authorities acknowledge the necessity of cooperation with the associative sector; Proving of utility of cooperation and coordination between public institutions and NGOs; Support of European Union and international organizations; Lack of major artificial impediments in the activity of NGOs; 	<ul style="list-style-type: none"> Access yet reduced to resources and financing; Lack of a consolidated network of NGOs at national, regional and local levels; Reduced capacities of NGOs, lack of altruist initiative among the majority of them; 	+ 1	<ul style="list-style-type: none"> Estimates of authors; Official communiqués; NGOs communiqués; Mass-media;
	<ul style="list-style-type: none"> Parties work under stable conditions, that assure the stability, but are inadequate to contribute to their consolidation and to enhance efficiency; New political parties were registered without major impediments from the authorities; 	<ul style="list-style-type: none"> Stability of political specter; Parliamentary consensus between the main political groups Monitoring by CoE, EU; 	<ul style="list-style-type: none"> Political groups are consolidating their relations with and the support from their foreign political allies (parties); There is an attempt of promotion of coalition ideas, unification on doctrinal basis; 	<ul style="list-style-type: none"> Parties pay more attention to the instruction and consolidation of organizational structures and new political groups wings; Assistance offered by European parties and certain specialized institutions (IRI, NDI); 	<ul style="list-style-type: none"> Legislation on parties and its financing has not been modified in conformity to the European standards; Electoral Legislation has not been modified according the proposals of OSCE / CoE; More parties are inactive and do not assert themselves nationally and locally, are amorphous; 	+ 0,5	<ul style="list-style-type: none"> Own estimates; Parties' publications and press communiqués; Mass-media;
	<ul style="list-style-type: none"> Situation in the area of enforcement and respect for human rights has registered no changes, no major regresses were attested, but the main problems persist, although the authorities make certain efforts in this field; 	<ul style="list-style-type: none"> Monitoring by international organizations; Application of AP in the field; Social-economical stability; Monitoring of the situation by national specialized organizations (CPDOM, Parliamentary Commission led by the opposition etc.); 	<ul style="list-style-type: none"> No major violations of human rights were attested; Problems are outlined and permanently present, but no major effect in their solving is registered; Authorities acknowledge the negative impact of certain actions or inactions and take measures for improvement (arrest argumentation, detention conditions, defense interventions etc.); 	<ul style="list-style-type: none"> International assistance; Implementation of AP in the field, EURMAP, EGPRSP; Monitoring by CoE, adoption of ECHR judgements; NGOs activity; 	<ul style="list-style-type: none"> Complexity of problems; Defective implementation of some reforms; Reduced efficiency of justice; Social-economic situation of the country; 	0	<ul style="list-style-type: none"> National institutions report on respect for human rights (CPDOM, Parliamentary commission); Reports of human rights situation on Moldova (USA, specialized organizations);

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of Influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
	<ul style="list-style-type: none"> Freedom and independence of press remain declared values, no major reforms occur. New acts of intimidation of opposition newspapers are attested; 	<ul style="list-style-type: none"> Political and financial control of mass-media; Government control of national Radio and TV channels; Self-censorship of certain mass-media; Formal reorganization of publications founded by Government; 	<ul style="list-style-type: none"> Mass-media situation remains the same, audiovisual reform was not performed; Extensions of areas of coverage for radio and TV channels is spontaneous, limited at local level, and with out-of-date technologies; Press is divided into pros and cons government coalition; 	<ul style="list-style-type: none"> International monitoring; Interventions of opposition political groups; 	<ul style="list-style-type: none"> Stagnation and reform reduction, authorities support for certain sources; Lack of financial resources; Low level of professionalism among journalists and administrators; Interventions of controlling agencies in the activity of opposition mass-media; 	- 1	<ul style="list-style-type: none"> Declarations of local and international institutions; Mass-media; Estimates of authors;
Supremacy of state based on rule of law	<ul style="list-style-type: none"> Supremacy of state based on the rule of law is not enforced and valued; Power, independence and authority of justice are reduced; 	<ul style="list-style-type: none"> Lack of efficient mechanisms for insurance of law supremacy, reduced efficiency of law enforcement and judicial institutions; Absolute control of public institutions exercised by the governing party and its advocates; 	<ul style="list-style-type: none"> Almost none of CoE recommendations regarding the modification of legislative framework and creation of efficient institutions in the field was thoroughly carried out; There is a big number of unfulfilled decisions; 	<ul style="list-style-type: none"> International monitoring; ECHR decisions; 	<ul style="list-style-type: none"> Slow and amorphous launching of reforms in the field; Lack of effective examples of insuring law supremacy, political involvement and lack of transparency in certain significant lawsuits; 	0	<ul style="list-style-type: none"> Legislation of RM; Estimates of authors;
	<ul style="list-style-type: none"> Supremacy of law was thrown under doubts during examination of lawsuits of major interest and with significant impact such as Pasat, Turcan and Urechean trials; New cases are filed against political opponents who deny the probity of the alleged changes; Defense institution is subject of pressures from prosecutor's offices; 	<ul style="list-style-type: none"> Recommendations and confusions of representatives of European Parliament concerning transparent and equitable trial in Pasat case; Unclear evolution of certain cases previously filed against certain political leaders and promoted as anticorruption struggle (Urechean case); Rising number of requests and convictions at ECHR; 	<ul style="list-style-type: none"> Citizens don't trust the law and justice; Efficiency of state institutions is questioned both inside and outside the country; Lawyers have to appeal to international institutions, which according to Main Prosecutor's Office "damages the image of the country"; 	<ul style="list-style-type: none"> Involvement of international institutions and human rights organizations; Annulment by SCJ of certain procedural acts determining the cessation of controversial criminal trial; 	<ul style="list-style-type: none"> Selective attitude toward respect for law, adoption of doubtful decisions at limits of legality; Position of Prosecution Office that does not ensure the accurate overview of law enforcement agencies, and does not react promptly against cases of abuse; Transmittal in court of new criminal records filed against representatives of opposition, while the previous ones are not finished yet; 	- 1	<ul style="list-style-type: none"> Mass-media; International institutions appreciations; Bar Association and Prosecution Office communiqués;
	<ul style="list-style-type: none"> CoE recommendations are implemented with difficulty, adoption of legislative acts is protracted; Certain ECHR judgements were not executed in continuation 	<ul style="list-style-type: none"> Committee of Ministers of CoE expressed its concern with the defective enforcement of judicial decisions in RM; 	<ul style="list-style-type: none"> ECHR decision in the trial "Sarban vs. Moldova" was enforced by Government, secretary of council was reestablished in his position; 	<ul style="list-style-type: none"> Periodic interventions from the Committee of Ministers of CoE; Position of PACE reporters; ECHR decisions; 	<ul style="list-style-type: none"> Slow and sometimes defective promotion of legislative modifications resulting from CoE recommendations; Inefficiency of governmental and parliamentary activity in the field; 	0	<ul style="list-style-type: none"> Legislation of RM; Declaration of deputy V. Cubreacov regarding the meeting with PACE representatives; CoE web-site (www.coe.int);
Guaranteeing of human rights and fundamental freedoms	<ul style="list-style-type: none"> Situation has not registered major evolutions, the same violations are attested; Adoption of Law regarding the revision of art.24 of the Constitution (abolishment of capital punishment); 	<ul style="list-style-type: none"> Implementation of AP in this field; Monitoring and activity of international organizations, and local NGOs; 	<ul style="list-style-type: none"> A series of fundamental rights are violated in continuation, although no major violations were attested; Death penalty was definitively abolished; 	<ul style="list-style-type: none"> Promotion of capital punishment abolishment by CoE; More active NGOs involvement (Amnesty International); 	<ul style="list-style-type: none"> Lack of resources, complexity of problems; The extrajudicial system for respect of promotion of human rights was not consolidated; Police detention system was not restructured; 	0	<ul style="list-style-type: none"> Legislation of RM; Annual CPDOM Report, Parliament auditions and decisions regarding the Report; Parliamentary Commission auditions; Mass-media;

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of Influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
	<ul style="list-style-type: none"> • Actions affecting the right to ethnic self-identification were attested; 	<ul style="list-style-type: none"> • Categorical National policy promoted by government and parliamentary majority; • Romanian authorities position regarding national identification of Moldova's inhabitants; 	<ul style="list-style-type: none"> • Well-known names of lyciums containing the syntagma "Romanian" were modified by Government; • Historians and political parties protest against forced introduction of subject "Integrated History"; • Roma ethnicity condition remains disadvantaged; 	<ul style="list-style-type: none"> • Imperceptible; 	<ul style="list-style-type: none"> • Authorities attitude; • Attempts of excessive implication of politics around national identification issue; • New Plan of measures for support of Roma in RM was not adopted; 	- 1	<ul style="list-style-type: none"> • Declarations of deputies in Parliament and Historical Association; • Protests of high-school students, professors and students at Bucharest; • Opinion of Chairman of CoE Consultative Committee regarding the status of Roma and implementation of Convention for protection of national minorities;
	<ul style="list-style-type: none"> • Tolerance and mutual respect are partly affected; 	<ul style="list-style-type: none"> • Problem perception within society; • Lack of adequate information; 	<ul style="list-style-type: none"> • Certain organizations representing sexual minorities protest against authorities refusal to authorize their manifestations; • Cases of discriminatory treatment were registered; 	<ul style="list-style-type: none"> • Intervention of human rights organizations; 	<ul style="list-style-type: none"> • Intolerant attitude of representatives of religious confessions; • Negative perception of certain social groups considered as having a deviating behavior; 	0	<ul style="list-style-type: none"> • „Gender Doc” Communiqué; • Ombudsman opinions and reports, Annual CPDOM report (www.ombudsman.md);
	<ul style="list-style-type: none"> • Freedom of religion is not fully ensured; 	<ul style="list-style-type: none"> • Monitoring by CoE; • Intervention of opposition political parties; 	<ul style="list-style-type: none"> • Law on cults and its components part was not adopted in the 2nd reading; • Registration of component parts of cults is protracted; 	<ul style="list-style-type: none"> • Imperceptible ; 	<ul style="list-style-type: none"> • Reduced efficiency of Parliament activity; • State agencies attitude toward cult issues; • Out-of-date legislation; 	0	<ul style="list-style-type: none"> • Legislation of RM; • Interpellation of deputy St.Secăreanu at the Parliament session in June 2006;
Prevention of torture and degrading treatments	<ul style="list-style-type: none"> • Cases of use of torture and degrading treatments continue to be registered; • Detention conditions do not correspond to the international standards; • The new State on punishment execution (service of sentence) was adopted (GD 583); 	<ul style="list-style-type: none"> • Attitude of law enforcement agencies, insufficient training of employees in charge with criminal investigation; • Precarious condition of penitentiary institutions, defective financial insurance, lack of investments in the field; • Implementation of the new Executory Code; 	<ul style="list-style-type: none"> • Applied treatments aim at getting evidence, afterwards the court does not accept extorted evidence; • Victims appeal to international institutions, ECHR, and the state is convicted; • Rights and obligations of detainees are in conformity with the Executory Code and international standards; 	<ul style="list-style-type: none"> • International organizations monitoring; • Adoption by ECHR of certain accusatory judgements; • Increased activity of lawyers, local and international NGOs; 	<ul style="list-style-type: none"> • Prosecution office does not shown a firm attitude in investigation of cases of use of torture; • People guilty of use of torture are not convicted; • Additional Protocol to Convention against torture and other cruel, inhumane and degrading treatments and punishments (CAT-OP) was not ratified; 	+0,5	<ul style="list-style-type: none"> • UNDP report on penitentiary situation; • CPDOM report, ombudsmen interventions; • Declarations of lawyers and defense attorneys; • ECHR decisions; • Mass-media;
	<ul style="list-style-type: none"> • Lawyers intend to appeal at ECHR the use of degrading treatments in Pasat case; • Majority of courts do not check the legal basis and correctness of arrests; 	<ul style="list-style-type: none"> • Law enforcement agencies and courts attitude toward the application of repressive measures; • Situation of detention institutions does not correspond to international standards; 	<ul style="list-style-type: none"> • Detention institutions are overcrowded, detentions conditions did not improve essentially; 	<ul style="list-style-type: none"> • International institutions attitude; • Activity of lawyers and human rights activists, specialized NGOs; 	<ul style="list-style-type: none"> • Slow reforming of detention institutions; • Protraction of delegation of authority over detention isolators from MIA to Ministry of Justice; • Lack of resources and investments in the field ; 	+0,5	<ul style="list-style-type: none"> • Mass-media; • NGOs and lawyers declarations and communications;
Insurance of equal chances	<ul style="list-style-type: none"> • Creation of Governmental Commission for equality between women and men; 	<ul style="list-style-type: none"> • Law on insurance of equal chances for women and men; • EURMAP, AP in the field of human rights; 	<ul style="list-style-type: none"> • No distinct criminal and administrative liability is established for sexual discrimination; • Situation regarding violence in family remains a big concern; • Situation regarding women trafficking remains stringent; 	<ul style="list-style-type: none"> • Organization of seminars and thematic trainings by certain institutions (IRI, ADEPT seminars); 	<ul style="list-style-type: none"> • Law on struggle with violence in family was not adopted; • The expertise of national legislation on gender equality was not carried out and published; • Lack of information about activity in the field of Ministry of social protection; 	0	<ul style="list-style-type: none"> • Legislation of RM; • Estimates of authors;

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of Influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
Insurance of rights of association	<ul style="list-style-type: none"> No essential evolutions in promotion and assertion of the right of association were registered; Parties and non-governmental organizations are registered by Ministry of Justice and local authorities mainly without impediments; Certain parties accuse law enforcement agencies of persecution based on political reasons; Party unification process stagnates; 	<ul style="list-style-type: none"> Long term till parliamentary elections and short term till local elections; Reduced cooperation between parties, big ambitions of leaders; Consolidation of cooperation of some parties with foreign colleagues and international political coalitions; 	<ul style="list-style-type: none"> Parties are better trained, pay more attention to their development both locally and internationally; Party members, members of youth organizations are supplementary instructed; Innovative methods of supporter recruitment – contests for elaboration of party's emblem and brand; 	<ul style="list-style-type: none"> Initiatives launched by parties; Access of parliamentary parties to TV and Radio in order to express their points of view live, during the sessions of Parliament; International affiliation and cooperation of certain parties; 	<ul style="list-style-type: none"> Legislation on parties was not modified according to CoE recommendations, Law on financing of parties and electoral companies was not adopted; Some parties reject of idea of unification on doctrinal principles of affiliation; 	0	<ul style="list-style-type: none"> Mass-media; Legislation of RM Declarations of representatives of PPR and „Ravnopravie“; Press communication of PDSM;
	<ul style="list-style-type: none"> NGOs activate in the same conditions, without state support; Civil society organizations are more often involved in cooperation process with public authorities; 	<ul style="list-style-type: none"> Provisions of EURMAP, EGPRS and CPA reform etc. Cooperating attitude of certain public authorities; Concept of cooperation between Parliament and civil society; 	<ul style="list-style-type: none"> NGOs participate at elaboration and improvement of important legislative and normative acts; Government elaborates in cooperation with NGOs the draft law on transparency within decisional process; Cooperation process with the Parliament is under permanent monitoring of the leadership of legislative; 	<ul style="list-style-type: none"> Cooperating attitude of some public institutions; Positive appreciations and support for process from international organizations; Open activism of some NGOs; 	<ul style="list-style-type: none"> Legislation about NGOs has not been improved, financial reports were not simplified, mechanisms of NGOs support from economic agents were not promoted; There is not insured the regulation and encouragement of supply of paid services by NGOs; The state does not support the editing of a periodical publication advertising the associative sector; 	+0,5	<ul style="list-style-type: none"> Mass-media; Legislation of RM; Estimates of authors;
	<ul style="list-style-type: none"> Syndicate confederations function in the same divided formula; More syndicate organizations instruct their members and trainers on EURMAP; 	<ul style="list-style-type: none"> Intervention and authorities support for certain organizations and neglect for others; EURMAP promotion; 	<ul style="list-style-type: none"> Syndicate trainers gather and subsequently share knowledge about EURMAP; 	<ul style="list-style-type: none"> International support; Promotion by civil society of EURMAP; 	<ul style="list-style-type: none"> Lack of efficient levers of influence from syndicates; Inactivity of leaders of syndicates, contradictions between them; 	0	<ul style="list-style-type: none"> Declarations of representatives of CS in RM; Organization of thematic seminars within Labor Institute;
Respect for rights of employees	<ul style="list-style-type: none"> No major evolutions regarding rights of employees were attested; The same violations of labor legislation persist; 	<ul style="list-style-type: none"> Activity of Tripartite Commission (Government-Employers Organization-Syndicates); Activity of Labor Inspection; 	<ul style="list-style-type: none"> Rise of tariff wage of employees of non-budgetary sector; Employers' organizations implement their own development programs, collaborate more efficiently with the employees; The new salary law for budgetary sector employees is inefficient; 	<ul style="list-style-type: none"> Economic growth; Effective negotiations within the tripartite Commission; 	<ul style="list-style-type: none"> Problems pertaining to application of Salary Law in budgetary sector; Low wages below the minimum cost of living; Major disparity between wages in different sectors, low wages in agricultures and rural sector; 	+ 0,5	<ul style="list-style-type: none"> Legislation of RM; Communications about activity of Labor Institute; Declarations of deputies, Parliament audition on the issue;

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of Influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
	<ul style="list-style-type: none"> There are adopted decisions contested by employers, syndicates and employers organizations; 	<ul style="list-style-type: none"> Plans on improvement of labor legislation; Promotion of idea of additional control over social expenses; 	<ul style="list-style-type: none"> There were adopted provisions that allow unconditional dismissal of retired and aged persons; Regulations on payment of sickness leave were inadequately modified, being contested by employees, syndicates, employers organizations; New regulations in the field of pharmaceutical activity are implemented; Private medical institutions will be unconditionally evacuated from the territory of state institutions; 	<ul style="list-style-type: none"> Modifications of labor legislation aim to stimulate youth employment and allow employers to keep the retired employees, through term contracts, however exist also premises for violation, poorly justified dismissals; Aim for insurance of control and security of pharmaceutical products; Aim for exclusion of double supply of medical services from state and private institutions; 	<ul style="list-style-type: none"> Insufficient preparation and consultation of decisions; Lack of preliminary estimations of effects of some decisions; Inefficient management of state medical institutions and their buildings; Possible dismissal of more employees; Lack of resources necessary for purchase of new buildings (offices) for private institutions; 	<p>- 1</p>	<ul style="list-style-type: none"> Legislation of RM; Declarations and interpellations of Parliament meetings; Mass-media publications and communiqués;
Freedom of press and access to information	<ul style="list-style-type: none"> There was attested stagnation and even some regress in the field of insuring of freedom of press and audiovisual; Audiovisual Code was adopted in first reading; 	<ul style="list-style-type: none"> Position of CoE, OSCE, embassies and international organizations accredited in Moldova regarding the draft of Audiovisual Code; There was a decrease in number of complaints in court from politicians referred to in publications; 	<ul style="list-style-type: none"> Audiovisual Code draft was elaborated and adopted in a hurry, without sufficient consultation, thus being imperfect; Directors of some mass-media agencies are intimidated for editorial policy; there are promoted measures and decisions that limit their activity and development; Independent publications (Floresti, Rezina) are subject to unfounded controls from prosecutor's office, supposedly upon indications of LPA authorities; 	<ul style="list-style-type: none"> Attitude of international organizations; Recommendations of CoE, EU, OSCE; Enhanced attention from local and international governmental organizations; activism of some organizations in this field; 	<ul style="list-style-type: none"> Legislation in the field of press and audiovisuals was not reviewed; Legislation on liability for calumny was not improved; Public Institution „Teleradio-Moldova” Company was not reformed, quality of programs remains poor; Interest for control in this field from governing majority and other political groups; Lack of sufficient financial resources that would allow free activity of publications; 	<p>- 1</p>	<ul style="list-style-type: none"> Expertise of CoE and OSCE on draft of Audiovisual Code, CoE declarations on the subject; Mass-media publications and communiqués; Study of „Freedom House” organization; Communiqués of Independent Press Association; Diplomatic missions communiqué from May 3, 2006;
	<ul style="list-style-type: none"> There was attested an improvement of access to information “from office”, more institutions are publishing data about their activity in press and web-sites; Governmental Decision about public authorities web-sites was published; Providing of information “upon request” remains a problem; 	<ul style="list-style-type: none"> Accomplishment of national plans and strategies containing references in the field; Implementation of Conception on cooperation between Parliament and civil society; Organization of thematic conferences on the subject; Enforcement of some judicial decisions condemning the secrecy and non presentation of public interest information; 	<ul style="list-style-type: none"> Parliament publishes all drafts of legislative acts, Government publishes drafts of decisions (summary); MEC, MJ, Ministry of Agriculture and Food Industry, ASM, different independent agencies publish for consultation drafts of legislative and normative acts, strategies and programs; All those interested may present their proposals and objections that shall be received by authorities; 	<ul style="list-style-type: none"> Cooperation between authorities and NGOs; Positive appreciation from international institutions; Efficiency and high qualification of proposals promoted by NGOs; 	<ul style="list-style-type: none"> Law on publication of official act on web is not applied; Official Monitor remains an expensive source of information with limited delivery; International treaties and conventions are not accessible; Detainees do not have access to legal information; Reticence of some state institutions, insufficient information within LPA, lack of free LPA publications; 	<p>+ 0,5</p>	<ul style="list-style-type: none"> Legislation of RM; Some publications web pages; Mass-media; Estimates of authors;

2. TRANSNISTRIAN CONFLICT

Political negotiations in "5+2" format

The round of negotiations on Transnistrian issue in "5+2" format scheduled for April 4-5 did not take place because of the contradictions that occurred between the parties after the introduction of the new customs regime at the Moldovan-Ukrainian border. Transnistrian part declared that it will not participate in negotiations until it will be granted the right to an independent external economic activity.

Two rounds of consultation of the mediators and observers in the Transnistrian settlement process were organized on April 19 and May 24 in Moscow and Brussels, respectively.

OSCE Chairman-in-Office, Karel de Gucht, made an official visit to Moldova during May 31 – June 1. De Gucht proposed the initiation of discussions regarding the transformation of the current pacificatory operations in Moldova altogether with international mandate and declared that OSCE would insist that Russia evacuates its troops and munitions from the Republic of Moldova. The OSCE official urged the Transnistrian side to adopt a constructive attitude and to unconditionally take its place at the table of negotiations.

The Ministry of Finance of the Russian Federation has offered Transnistria a non-reimbursable financial support of 50 million USD for "surviving in the conditions of the economic blockade imposed by Moldova and Ukraine". On May 23, the separatist leader Igor Smirnov and the Russian first vice-premier Alexandr Jukov have signed a protocol of collaboration, and on June 21-22, a Russian governmental delegation made an official visit to Tiraspol in order to examine to conditions of application of protocol provisions. The Moldovan authorities condemned these actions made by Russia as being in contradiction with its status of guarantor.

During his visit to Chisinau on June 25-26, the Minister of Foreign Affairs of Ukraine, Boris Tarasiuk, accused the Russian and Transnistrian authorities of the blockage of the negotiation process and declared that Ukraine will try to bring the parties back to the negotiations table. Tarasiuk assured that the position of Ukraine regarding the Transnistrian issue and securing of the Moldovan-Ukrainian border will not change after the formation of the new Ukrainian government.

Cooperation between the E.U. and Moldova

During his visit at Brussels on June 21-22, the President Voronin had a meeting with the High Representative for Foreign Policy and Common Security, Javier Solana, during which the Transnistrian issue was also discussed. Javier Solana reiterated the determination of the European Union to contribute at the identification of a political solution for the Transnistrian problem. Vladimir Voronin thanked the European official for the efforts made for the organization of the EU Border Assistance Mission at the Moldovan-Ukrainian border.

Fulfillment of Russia's Istanbul commitments

On May 29, the Russian Minister of Foreign Affairs Serghei Lavrov declared at the meeting of the Parliamentary Assembly of the Council of Europe that Russia has fulfilled the Istanbul commitments regarding Georgia and Moldova, and the remaining troops in these regions are pacificatory forces. Those 500-600 soldiers who are in Transnistria have the mission to secure the Russian munitions deposits that serve as a guarantee of Transnistria that "Moldova will not swallow the region as unitary state", said Lavrov. The head of the Russian Federation delegation at Vienna Conference on Conventional Forces in Europe Treaty, Anatoli Antonov, declared that Russia fulfilled its commitments to withdraw its troops from Georgia and Moldova and those related to the ratification of the CFE Treaty.

During his visit in the Republic of Moldova on May 31-June 1, the OSCE Chairman-in-Office declared that OSCE would insist that Russia evacuates its troops and munitions from the Republic of Moldova and that OSCE is ready to allocate 10 million Euros for that, a sufficient amount to terminate the evacuation process in three months.

Securing the Moldovan-Ukrainian border

After four months from the introduction of the joint Moldovan-Ukrainian customs regime at the Moldovan-Ukrainian border, including the Transnistrian segment, the majority of big Transnistrian companies was registered at the State Registration Chamber of the Republic of Moldova and has obtained the Moldovan certificate for export-import operations. Although Transnistrian authorities continue to assert that Transnistria is under the economic blockade imposed by Moldova and Ukraine, starting with May they have allowed Transnistrian businesses to register in Moldova and carry out foreign trade activities. Moldovan and Ukrainian Border Guard Service declared that the situation at the border is stabilizing and the flow of smuggled merchandise was significantly reduced. Although the enhanced border control makes it difficult to practice large-scale smuggling, retail smuggling and bypassing customs points, is still an often-encountered phenomenon.

During his visit to Chisinau, the Minister of Foreign Affairs of Ukraine, Boris Tarasiuk expressed his content with the implementation of the joint customs procedures and declared that Ukraine's position on this issue will not change after the formation of the new government at Kiev. Many European officials, including the European Union Special Representative for the Republic of Moldova, Adriaan Jakobovits de Szeged, supported the joint customs regime.

On May 12, in Odessa, was organized the second session of the Consultative Committee of the E.U. Border Assistance Mission at the Moldovan-Ukrainian border, where have participated the Moldovan and Ukrainian vice-ministers of foreign affairs. The participants at the meeting concluded that the new customs regime introduced in March 2006 contributed to a more effective administration of the border, enhancing the transparency of import and export operations to and from the Transnistrian region. From the beginning of the activity of the mission there were counteracted a series of smuggling of large supplies of poultry meat, cigarettes, and alcoholic beverages.

After the monitoring of the border activities, the EU Border Assistance Mission concluded that there is a need for a bigger coverage of those. After a series of discussions with Ukrainian and Moldovan officials, there was decided to pay a greater attention to Odessa and Ilyicevsk ports, through a regional bureau in Odessa, internal border between the Transnistrian border and Moldova, and to open an additional bureau on the territory of Moldova, with headquarters in Chisinau.

Participation of civil society

On May 26, within Carnegie Center in Russia, was presented the Trilateral Plan on settlement of Transnistrian conflict, elaborated by a group of independent experts from Moldova, Ukraine and Romania. The Plan which was previously presented in Chisinau, Bucharest and Kiev refers to the recent evolutions in the national and international context, and to the new opportunities they offer for the Transnistrian regulation. Besides the authors of the plan, at the event in Moscow also were present notorious politicians and economists from the Russian Federation, as well as diplomats and mass-media representatives.

Monitoring Grid 2. Transnistrian conflict

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of influence	Practical impact on studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
Political negotiations ("5+2" format)	<ul style="list-style-type: none"> Round scheduled on April 4-5 was called off; Transnistrian part declared that it will not take its place at negotiations table unless granted the right to external economic activity. OSCE Chairman-in-office visited Chisinau and Tiraspol. Russian Federation has continued to offer financial and political support to Transnistria. 	<ul style="list-style-type: none"> Establishment of Moldovan-Ukrainian joint customs regime Adjournment of political negotiations process Activation of Russian foreign policy on "frozen conflicts" of ex-USSR 	<ul style="list-style-type: none"> Adjourning of political negotiations process for an indefinite period of time OSCE change of rhetoric, failed attempts of restarting "5+2" process Compromising of Russia's status as mediator, and implicitly of "5+2" format 	<ul style="list-style-type: none"> Diplomatic mediation of observers and OSCE; 	<ul style="list-style-type: none"> Radicalism of Transnistrian part's position before referendum on September 17 and "presidential" elections in December; Russian support offered to Transnistria; activation of Russian foreign policy on "frozen conflicts" of ex-USSR; problems in the relations between mediator states Ukraine and Russian 	- 1	<ul style="list-style-type: none"> News agencies : Infotag, Regnum.ru, Basa-press, Olvia-press, Novii Region
E.U.-Moldova Cooperation	<ul style="list-style-type: none"> President Voronin discussed the Transnistrian problem with Javier Solana at Brussels 	<ul style="list-style-type: none"> European neighboring policy 	<ul style="list-style-type: none"> EU diplomatic support of conflict resolution efforts 	<ul style="list-style-type: none"> Regulations of Action Plan, EU enlargement; 	<ul style="list-style-type: none"> Other priorities on Brussels agenda, EU relations with Russian 	+1	<ul style="list-style-type: none"> President's press service
Diplomatic and political assistance of E.U.	<ul style="list-style-type: none"> EU Special Representative for Moldova appealed for "maximum international support" for Moldovan-Ukrainian joint customs regime; denied Transnistrian secession based on referendum 	<ul style="list-style-type: none"> Establishment of Moldovan-Ukrainian joint customs regime; Moldovan-Ukrainian border is a source of insecurity for EU 	<ul style="list-style-type: none"> EU diplomatic support of new customs regime; message addressed in particular to the new Ukrainian government (still under elaboration) 	<ul style="list-style-type: none"> Creation of "orange" coalition at Kiev; EU political commitments within the Action Plan; 	<ul style="list-style-type: none"> Other priorities on Brussels agenda, EU relations with Russian 	+ 1	<ul style="list-style-type: none"> News agencies : Kommersant.ua, Euobserver.com
Russia's Istanbul commitments	<ul style="list-style-type: none"> Russian Federation insists that it has fulfilled its Istanbul commitments, calls its soldiers in Transnistria as "pacificatory forces" OSCE is ready to allocate 10 million Euros for evacuation of Russian troops and munitions 	<ul style="list-style-type: none"> Activation of Russian foreign policy on "frozen conflicts" of ex-USSR; political support of Transnistrian authorities Lack of progress in the evacuation process 	<ul style="list-style-type: none"> Lack of progress in evacuation process of Russian troops and munitions 	<ul style="list-style-type: none"> US pressures on Russia; transformation of pacificatory mission in Transnistria into one with an international mandate 	<ul style="list-style-type: none"> Activation of Russian foreign policy on "frozen conflicts" of ex-USSR; political support of Transnistrian authorities 	- 1	<ul style="list-style-type: none"> News agencies : Infotag, Regnum.ru, Basa-press, Olvia-press, Novii Region
Securing of Moldovan-Ukrainian border	<ul style="list-style-type: none"> Joint Moldovan-Ukrainian customs regime has been implemented already the fourth month; the biggest Transnistrian businesses were Registered in Chisinau; smuggling rate was reduced EU Border Assistance Mission at Moldovan-Ukrainian border extends its activity towards Ilyicevsk and Odessa ports, internal border between Transnistria and other part of Moldova 	<ul style="list-style-type: none"> Political and diplomatic support of EU and USA, Ukrainian commitments within Action Plan; simplified registration procedures for Transnistrian businesses; Progress registered in first six months of activity of EU Border Assistance Mission; PEV objectives 	<ul style="list-style-type: none"> Securing of border, legalization of Transnistrian business, prevention of smuggling at Moldovan-Ukrainian border Securing of Moldovan-Ukrainian border, consolidation of skills of Moldovan and Ukrainian customs personnel to ensure an efficient border control 	<ul style="list-style-type: none"> EU and USA support, consistent position of Ukraine; Ukraine's respect for joint customs regime and collaboration with EU 	<ul style="list-style-type: none"> Possible kick of pro-European forces in the new Ukrainian government; political instability at Kiev and weakening position of President Yushenko 	+ 2	<ul style="list-style-type: none"> News agencies: Infotag, Regnum.ru, Basa-press, Olvia-press, Novii Region. European Commission Delegation in Moldova
Participation of civil society	<ul style="list-style-type: none"> Trilateral plan on settlement of Transnistria elaborated by the expert group Moldova-Ukraine-Romania was presented at Carnegie Center in Moscow 	<ul style="list-style-type: none"> Growing interest of Moldovan, Ukrainian, Romanian and Russian civil society towards Transnistrian problem 	<ul style="list-style-type: none"> Raising of awareness of public opinion and decision-making factors from Russian Federation regarding Transnistrian problem 	<ul style="list-style-type: none"> Efficient dialogue between civil society and decisional factors in Transnistrian problem settlement 	<ul style="list-style-type: none"> Lack of openness and transparency in the decision-making process of Russian foreign policy; politicizing of civil society 	0	<ul style="list-style-type: none"> Russian Carnegie Center www.carnegie.ru

3. CONSOLIDATION OF ADMINISTRATIVE CAPACITY

Administrative reform/ Administrative efficiency

The public administration reformation process has known some progress, but within the limits determined by the Reform Strategy in the field and the Action Plan for its implementation. There were attested certain shortcomings related to the disregard for the terms of elaboration and enactment of acts and the enforcement of the proposed measures. Local public administration reform is not carried out at the national level, there were taken some reorganization measures of the city of Chisinau, determined more by the requirements of central authorities rather than by own analysis and estimation of the necessities. The implementation of the Salary Law in the budgetary sector did not have a major effect, the material insurance of functionaries remaining at an insufficient level. There was registered an efficiency growth of some institutions due to the application of new information technologies. The main events of this period are:

a) The Government has approved the *Decision regarding the nominal constitution and Regulations of the Governmental Commission for CPA reform* (GD 362 from 10.04.2006). In the accomplishment of the central public administration reform process started *the second stage* of the functional analysis of public administration authorities at the central level (on horizontal line) and public services (on vertical line). There was approved the *Decision nr.710 from 23.06.2006 regarding the unity of analysis, monitoring and evaluation of policies within the central specialized organs of public administration*. The International Company "DAI Europe LTD" was selected on a tender basis for assistance of the *Unity coordination of the public administration reform* during the execution of the second stage of CPA functional analysis. On the web page of the Ministry of Justice were published for debate different drafts of laws: on the central public administration; public service and public officer statute; public officer's code of conduct.

b) The special parliamentary commission for the elaboration of *drafts on local autonomy consolidation* prepared some drafts of legislative acts that have to be approved in the first reading and further sent for expertise to the CoE. The elaborated drafts were not thoroughly discussed with the LPA representatives.

c) The Government approved the *Conception of electronic governance*. The attempts of attacking and breaking in the servers belonging to the public administration organs have been neutralized which makes it impossible to block state databases and web pages.

d) The minister of local public administration was appointed, there was approved the structure, the personnel and Regulations of the Ministry of Local Public Administration.

e) A *Lithuanian expert in European affairs* will activate within the Ministry of Foreign Affairs and European Integration. The expert's assistance is offered within the trilateral project Great Britain-Lithuania-Moldova, initiated for the assistance of Republic of Moldova within the process of EURMAP implementation.

f) On June 15, the Parliament adopted the Law regarding the amendment and completing of some legislative acts that establishes *the performance of the expertise of conformity with the European legislation* of all the drafts of legislative and normative acts before presenting them for adoption. However, the law does not offer a specific mechanism of performance of the expertise and the necessary financial means for that, thus the application of the law is expected to be defective.

Stability of governing policy

Political stability of governing policies may be attributed to the most significant progress in the implementation of EURMAP. Although there were some challenges and difficulties, generated mainly by the Russian Federation economic embargo and the rise of prices for energy resources, the authorities managed to face the problems and maintain the firmness of the promoted policy, including in the field of European integration. The most significant events in this respect are:

a) Moldovan Government has signed a new agreement with the International Monetary Fund, *thus reestablishing the relations with international financial institutions*. The executive has managed to negotiate the payment on installments of the external debts with the help of Paris Club of Creditors. The global rating agency "Fitch Ratings" *reconfirmed, on April 4, the evaluation given to the Republic of Moldova* for its long-term foreign commitment in foreign and national currency, and evaluated as "stable" the perspective of the presented ratings. The international rating agency Moody's Investors Service *improved the long-term rating of the Republic of Moldova* from "Caa1" to "B3", the perspective of evaluation of long-term foreign credits in currency was assessed as stable.

b) The Ministry of Foreign Affairs and European Integration presented to the Parliament the *"Report on the overall results of a year of implementation of the EURMAP"*. A series of progresses were outlined, being appreciated also by the EU authorities. The National Commission for European Integration has examined the EURMAP implementation method, outlining as EURMAP implementation priorities: justice, regulatory reform; reforms in the field of power engineering; trainings in the field of European integration; elaboration of a strategy of informing the society about the European integration process.

c) According to the data provided by the Ministry of Information Development, *the number of the companies that activate in the field of informational technologies and communications* in Moldova has increased. Due to the in-

come tax exemption for a 5-year period, operators in this sector have registered a 30% saving of financial means, thus the tax exemptions stimulated investors' dynamism. A series of foreign companies have entered the information technologies market in Moldova, creating new jobs in the field of computer engineering.

d) In the first quarter of the year the state budget registered a general income of more than 4 billion lei (about 235 million Euros), which is with 17,5% more compared to the same period of the last year (January-July 2005). During January-May, grants of 104,1 million lei were acquired from foreign donors. The Russian Federation's embargo on Moldovan wine and agricultural exports *did not allow Moldova to register the expected 6,5 % economic growth*.

e) The Executive has approved *the tax policy's priorities for the 2007 year* and has presented to the Parliament the respective proposals for legislation modification. It is planned the increase of annual personal tax exemptions for physical persons (from 4500 lei to 5400 lei; for dependents – from 840 lei 1440 lei). Income tax reduction will be insignificant: from 8% to 7% and from 13% to 12%. The maximum quota of the income tax will have the same major quantum of 20% (for a monthly income of more than 1750 lei). There was proposed the income tax exemption for economic agents that deposit money at commercial banks for a period of more than 3 years or purchase securities issued for a period of more than 3 years, and for legal persons that make capital investments. The Government elaborated the *draft of the Framework of medium-term expenses (2007-2009)*. The Ministry of Finance forecasted a 14-19% annual growth of incomes from taxes, thus that in 2009 the budget would be 1,5 bigger than in 2005.

f) World Bank representatives declared that *in the following years the Bank would increase the assistance offered to our country*, due to the positive results registered by the Republic of Moldova. WB denied the possibility of an eventual default, however it outlined that despite the registered progress, the investment rate in the country is still low, imports rate grows faster than exports, and the diversification of trade is slow, the *poverty reduction process has slowed down especially in rural zones*.

Politicizing of public administration / Interference of economic-administrative and political interests

The possession of a comfortable parliamentary majority and the consolidation on a vertical of the central, regional and local power lead to an excessive politicizing of the public administration, tolerating and promoting with priority within the public institutions the representatives and exponents of the governing party. The legislation on public goods administration, privatization, state representation etc., has not been modified yet, however there were made some drafts in the field. The new legislation on the regulation of the entrepreneurial activity was not adopted. The main events registered in this field are:

a) Ex-vice mayor of Chisinau city, Mihai Furtuna, *was reestablished in his position through a court decision*. The court concluded that Chisinau municipal council violated the law by adopting the decision about Furtuna's dismissal and ordered the payment of the salary for forced absence from work. The PCRM (Communist Party of RM) group that previously initiated his dismissal contested in the council the reestablishment in position of the vice-mayor. The Communist councilors expressed their disagreement with the court decision and stated that another person, a representative of PCRM, occupies the vice-mayor position.

b) *The Government adopted a series of decisions regarding the distribution of financial means* from the supplementary incomes of the state budget in 2006, without approval from the Parliament. The allotted means refer to a series of projects with a political implication: reconstruction of roads and streets, purchasing of means of transportation for Chisinau city.

c) In his interview for the newspaper "Vremea" on May 31 2006, the general interim Mayor of Chisinau City, Vasile Ursu, declared that the President of Moldova *"established a series of tasks for the municipal administration"*, among which can be mentioned the installation of illumination, the reconstruction of sidewalks and access ways. Upon President's request, the municipal administration *has changed its initial plans and has doubled the volume of full reconstruction* of certain streets of the city, and for the realization of this project were granted means from the state budget.

Uprightness and transparency of governance/ Combat of corruption

Transparency of governance was enhanced due to some important decisions previously adopted or promoted. There was registered the effect of the Conception on collaboration between the Parliament and the civil society, and of direct broadcasting of the Parliament's sessions. There are taken measures for transparency enhancement, there are elaborated and adopted legislative and normative acts aiming at transparency and collaboration enhancement. Combat of corruption remains a declared priority; multiple measures were taken in this respect, especially by the President of the country. The number of cases filed for corruption is growing, but these refer to persons from the lower level of the public administration and employees in the field of education and medicine. No efficient legislative and normative acts were adopted in the field of corruption prevention and combat. The declaration and control of incomes of public officers and public sector employees remains defective. There were attested cases when political opponents were accused of corruption, but the alleged accusations did not have enough evidence and the cases were not solved. The significant cases previously filed for acts of corruption were

hushed up, being under examination for a long time. The essential evolutions in the examined field are the following:

a) On June 30 2006 was published the Government's decision nr. 688 from 19.06.2006 *regarding the official Internet web sites of the public administration authorities*. On the web site of the Ministry of Justice were published for public debates drafts of laws on decisional transparency. On May 10, the Government emitted the Decision nr.481 regarding the approval of *Ethics and deontology Code of police officer*.

b) The Court of Accounts has elaborated a *Strategic Plan for Development for 2006-2010 years*, which includes provisions regarding the establishment of open and transparent relations with the Parliament and mass-media, by presenting to the public information about the activity of the Court of Accounts. On the web page of the Court can be found the annual report on public resources administration⁶.

c) The association Transparency International determined that the Corruption Perceptions Index in Moldova increased from 2,3 points in 2004 to 2,9 points in 2005, thus the Republic of Moldova has advanced from the 117th to the 95th place among the 159 countries included in the classification. Persons who have been victims of acts of corruption can benefit from the free support of the *Center for Legal Anticorruption Assistance*, opened at the initiative of Transparency International Moldova, with the financial support of the Ministry of Foreign Affairs of Germany.

d) Within a series of meetings, the President Vladimir Voronin *qualified as unsatisfactory the situation on corruption prevention and combating*⁷, stating that this has not become a permanent concern of the chiefs of state institutions, who have a passive attitude towards the issue.

e) The Constitutional Court approved the draft of the constitutional law that stipulates the *exclusion from the art. 46 (3) of the Constitution of the syntagma that states that the licit nature of the acquired property is presumed*. The draft was elaborated with the declared purpose of further obliging public officers to prove the licit character of their acquired property, thus supporting the efforts in combating of corruption. However, the promotion of the respective decision affects the general protection of human rights because the constitutional norm does not refer only to public officers. By excluding the above-mentioned principle, owners will not be exempted anymore of proving the licit origin of their goods; this might lead to abuses not only from the state, but also from other persons who may claim the ownership of the goods once the legal guarantee of licit acquirement of goods is annulled.

f) The Ministry of Interior Affairs states that it *revealed over 150 cases of corruption*, including within the law enforcement organs. 46 persons who offered bribes were disclosed. The Ministry of Interior Affairs has declared that the fact that a big number of law enforcement employees have been involved in different acts of corruption *determined the MIA administration to apply more stringent measures when selecting and revealing this kind of cases* (the interior security service of MIA will verify all personal information and characteristics of employees, personal data, behavior in the family, the past and current living conditions).

g) The work group for the Republic of Moldova's participation within the Project "The Millennium Challenge Account" has finalized and remitted to the Director Council of the Corporation "The Millennium Challenge" the *draft of the Action Plan on corruption control*, based on the Conceptual document of participation in the program. The Prosecutor's Office of Chisinau city elaborated a Plan of *measures for decreasing and excluding institutional risks of corruption and protectionism* within the prosecutor's offices of the city. At the meeting of the Anticorruption Alliance with the Prime-Minister *was analyzed the level of cooperation in the process of insurance of transparency and collaboration with the civil society in the combat of corruption*. There was noticed the participation of the members of the Alliance at the expertise of some drafts of legislative acts in the field and at the elaboration of the Preliminary Country Program within the project of the American Fund "The Millennium Challenge".

h) On May 24 2006 the Anticorruption Prosecutor's Office has started the criminal investigation of a police officer of Hincesti Police Station, based on art.330/1 (1) of the Criminal Code – *Violation of regulations on income and property declarations* by state officials, judges, prosecutors, public officers and other persons with leading positions. This is the first case of application of the law in this field, however the position and the violation are of a minor importance, and it will not have the necessary prophylactic effect.

i) The Center for Struggle against Economic Crimes and Corruption (CCCEC) together with the Main Prosecutor's Office have filed over 100 criminal cases *for abuse and abuse of power at conferring degrees of disablement* (more than 600 persons received fake disablement degrees). CCCEC declared in a press communication about the *filing of a criminal suit against the municipal councilor Valeriu Klimenko*, suspected of large-scale theft from the budget of Chisinau City Mayoralty. Valerii Klimenko who is also the leader of the Social-political movement "Ravnopravie", rejected the accusations brought by CCCEC and the prosecutor's office, declaring that the expressed affirmations are not true and the filed criminal case is "a political command from the President of the country".

⁶ www.ccrm.md

⁷ Work sessions, sessions with the participation of members of Government, common sessions of CCCEC and SIS, the extended session with the participation of chiefs of all central state institutions (www.moldpress.md, www.cccec.md)

Monitoring Grid 3. Consolidation of administrative capacity

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of influence	Practical impact studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
Administrative reform / Administrative efficiency	<ul style="list-style-type: none"> CPA reform strategy is carried out generally according to the Plan of Implementation, but certain actions and decisions are delayed; Special parliamentary commission elaborated drafts for legislation reformation in the LPA field; 	<ul style="list-style-type: none"> Internal monitoring; International monitoring; Implementation of EUR-MAP and EGPRSP; CoE recommendations; 	<ul style="list-style-type: none"> Government has approved the Decision regarding the nominal constitution and Regulations of the Governmental Commission for CPA reform, GD regarding the unity of analysis, monitoring and evaluation of policies within the central specialized organs of public administration; There started the 2nd stage of functional analysis of central public administration authorities; Draft of important laws were elaborated and proposed for debates; 	<ul style="list-style-type: none"> Participation of specialized international organizations; Professionalism and consistency of members of unit of implementation; Financiers' assistance; Participation of associative sector; Adoption of law on further expertise of conformity of legislative and normative acts with the EU legislation; 	<ul style="list-style-type: none"> A detailed program of implementation of EURMAP was not adopted; lack of structures specialized in the field of European integration; lack of a central unit responsible for harmonization of legislation with the European acquis; the acquis is not available to all public institutions; Politicizing and excessive political control of central public administration; Lack of a central unique structure with attributions in the field of public service; 	+ 1	<ul style="list-style-type: none"> Legislation of RM; Reform News; Mass-media communications; Reports on implementation of CPA reform;
	<ul style="list-style-type: none"> Some reorganization actions were made, but they are spontaneous and non-systematic; 	<ul style="list-style-type: none"> Modification of legislation; Political decisions; 	<ul style="list-style-type: none"> Creation of Ministry of LPA; liquidation of National Migration Bureau; foundation of Sports Agency; certain reforms of State Guard Service of MIA; new organigram of Chisinau city Mayorality Apparatus; 	<ul style="list-style-type: none"> Internal monitoring; 	<ul style="list-style-type: none"> Difficulties in selection and qualification of personnel; Lack of employment alternatives for dismissed persons; 	+ 0,5	<ul style="list-style-type: none"> Legislation of RM; Mass-media;
	<ul style="list-style-type: none"> Some evolutions were attested in the field of informational development of the public sector; 	<ul style="list-style-type: none"> IT development; Competition; International assistance; 	<ul style="list-style-type: none"> Conception of electronic governing; GD nr.562 regarding the creation of automatic state informational systems and resources; Attempts on breaking in public servers were blocked and neutralized (more that 300 break in attempts). By the end of June, optical fiber communication networks were build in all localities of RM; every secondary educational institution has at least one PC; 	<ul style="list-style-type: none"> Implementation of "Moldova electronica" and "Salt" programs; Professionalism and permanent self-training of employees in IT field; 	<ul style="list-style-type: none"> Limited financial resources; Poor knowledge of public officers in the filed of information technologies, especially at local level; 	+ 1	<ul style="list-style-type: none"> Legislation of RM; Mass-media; Official communications;
Politicizing of public administration	<ul style="list-style-type: none"> Politicizing of central and local public administration still persists; Consolidation of power vertical continues; 	<ul style="list-style-type: none"> Governing policies; Control of the majority party over all levels of administrations; Existence of a comfortable parliamentary majority and its control of public administration of II level; 	<ul style="list-style-type: none"> Participation of representatives of other parties to central public administration is not stimulated; Decisions on public finances distribution are based on preferences and political (about 140 million lei were distributed by Government for spontaneous necessities and indications, without Parliament's approval: HG Nr. 753, 629, 790, 699, 461, 462 etc.); LPA leaders disagree with certain decisions of the central executive that interfere in the regulation of the local activity (personnel composition, fuel limits, communications); Although some illegal political decisions have been cancelled by court instances, they are inaccurately enforced and respected; 	<ul style="list-style-type: none"> Imperceptible; 	<ul style="list-style-type: none"> Political conflicts have an impact on the adoption of controversial decisions or blocking of some necessary decisions; Decisions are coordinated and consulted with the political leadership and reflect especially a subjective perception of certain issues; Insufficient qualification of certain public officers hired on political criteria; 	0	<ul style="list-style-type: none"> Mass-media; Declarations and interpellations of opposition deputies in Parliament; Decisions of appointment; Estimates of authors;
Interference of economic-administrative and political interests	<ul style="list-style-type: none"> No new and efficient mechanisms of separation of economic, administrative and political interests were applied; 	<ul style="list-style-type: none"> Economic interests of the governing elite; 	<ul style="list-style-type: none"> Agency for protection of competition was not created; Court of Accounts permanently reveals violations in administration of public patrimony and finances; Monopoly of certain telecommunications operators raises concerns, SA "Moltelecom" received the license for mobile cellular telephone services within CDMA standard by Government's decision, by a direct entrusting of ANRTI, without competition; 	<ul style="list-style-type: none"> Regulatory framework review by application of Guillotine Law; Revision of regulations regarding privatization and administration of public property; Selling of public selling at stock exchange, with transparency insurance; 	<ul style="list-style-type: none"> Legislation on privatization was not improved; Legislation regarding state companies was not revised; The new privatization program was not approved; Public institutions auditing projects are not implemented; 	- 0,5	<ul style="list-style-type: none"> Legislation of RM; Decisions of the Court of Accounts; Questions and interpellations of deputies in Parliament; Mass-media;

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of influence	Practical impact studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
			<ul style="list-style-type: none"> Representatives of ministries continue to hold positions in administration councils of companies with state capital, receive additional payments by ignoring legal interdictions, whereas companies' qualitative index remains low; 		<ul style="list-style-type: none"> The declared but economically inefficient character of the governing policy; 		
Stability of governing policy	<ul style="list-style-type: none"> The Governing Program is consistently implemented, with some arrears concerning decisions adoption and promotion; There were approved a series of new strategies and programs; Negotiations with EU started regarding the simplification of visa regime; 	<ul style="list-style-type: none"> Political stability and positive appreciation of the government by the majority of population; International assistance; Internal and external monitoring; International collaboration, additional financing acquisition; 	<ul style="list-style-type: none"> Report on EURMAP implementation was heard out in Parliament and published on-line; Decision regarding the Strategy for development support of small and medium-sized businesses was adopted for 2006-2008 years; Accumulation of additional budgetary incomes; There were elaborated and prepared for elaboration the Framework of medium-term expenses (2007-2009) and Tax Policy for 2007; Growth of the number of companies activating in the field of informational technologies and communications; More and more economic agents from Transnistria are registered in Chisinau; Agricultural enterprisers are given back accurately and on time VAT; 	<ul style="list-style-type: none"> Collaboration between central public institutions; Economic growth; Normalization of relations with foreign financiers; Implementation of regulatory reforms; Consistency in realization of adopted decisions; 	<ul style="list-style-type: none"> Regional conjuncture, Russian Federation's embargo; Lack of progress in Transnistrian settlement; Application of inefficient subventions policies in agriculture; Limited financial resources; Attempts of Constitution revision regarding the legality of acquired property; Actions of revising the results of privatization (USUM case); Abusive intervention within educational sphere, artificial reduction of some study offers; 	+ 2	<ul style="list-style-type: none"> IMF Memorandum; Legislation of RM; Mass-media; Estimates of „Fitch Ratings” and Moody's Investors Service agencies;
Probity and transparency of governance / Combat of corruption	<ul style="list-style-type: none"> There were attested some positive evolutions aiming for consolidation of probity and transparency of governance, but still many problems persist; Few normative acts were adopted in this area; drafts of legislative acts were elaborated; Previously established strategies, plans and measures are generally respected, but with some arrears; 	<ul style="list-style-type: none"> Implementation of EURMAP, EGPRSP and AP in the field of combat of corruption; External monitoring; Conception on cooperation between Parliament and civil society; Direct broadcasting of Parliament sessions; 	<ul style="list-style-type: none"> Parliament ensures the publication of all drafts of legislative acts; Government publishes summaries of drafts of decisions; CSM (Superior Council of Magistracy) has published the decision regarding the contest announcement for vice-president positions in some courts; 	<ul style="list-style-type: none"> Internal and international monitoring; Enhanced cooperation of public authorities; NGO activity; Allocation of means for the implementation of outlined measures; Parliamentary control through interpellations and questions of opposition deputies; 	<ul style="list-style-type: none"> Limited access to legal information (MO), the law that stipulates the mandatory on-line publishing of official acts was not applied; Hurried adoption of some decisions, without sufficient public consultation, lack of feed-back information regarding the taking into consideration of proposals; Poor quality and lack of on-line resources of central and local public institutions; 	+ 1	<ul style="list-style-type: none"> Legislation of RM; Internal evaluation reports (CPDOM, UNDP); Mass-media; Estimates of authors;
	<ul style="list-style-type: none"> Implementation of electronic governance is slow; electronic transparency of public institutions is poorly ensured; 	<ul style="list-style-type: none"> Strategy „Moldova electronică” (Electronic Moldova); AP in different areas referring to transparency composition; 	<ul style="list-style-type: none"> Major differences in rate of use of computers in rural and urban areas; Draft of law on decisional transparency within public administration; GD regarding the official Internet web sites of the public administration authorities; 	<ul style="list-style-type: none"> IT development; Rise of number of modern information technologies users; 	<ul style="list-style-type: none"> Poor knowledge of IT among public institutions; Limited presence of public institutions in the Internet; IT costs – still big (computers, Internet, telephone services); Information systems of public institutions are scattered; 	+ 0,5	<ul style="list-style-type: none"> Conception on electronic governance; Legislation of RM; Reports of MID, ANRTI; Public administration web pages; Official statistics;
	<ul style="list-style-type: none"> Combat of corruption was declared an absolute priority, being subject to debates at the highest level, but with a limited effect; A light improvement was attested in corruption perceptions; 	<ul style="list-style-type: none"> Implementation of AP, EURMAP and EGPRSP in the field; Attitude of international organizations; Insistence of international institutions; 	<ul style="list-style-type: none"> Declared attitude of upper public authorities (President, Government, Parliament) remains firm and intolerant; Government adopted Deontology Code of police officer; there was elaborated the draft of Code of conduct of public officers; 	<ul style="list-style-type: none"> Declared intolerant position of central authorities; International assistance, application for “MCA” project; NGO activity; A series of criminal records were filed; some fraud activities were revealed (attribution of degrees of disablement); 	<ul style="list-style-type: none"> Independence, efficiency and authority of justice is not ensured; Lack of transparency within political parties funding; Absolute control, interference and interdependence between governing elite and law enforcement institutions; 	+ 0,5	<ul style="list-style-type: none"> Legislation of RM; Official communications; Declarations of President of RM;

Indicators	Evolutions in the 2 nd quarter of 2006	Factors of influence	Practical impact studied evolutions	Circumstances that favor progress	Barriers on way of progress	Quantification of progress of the 2 nd quarter of 2006	Sources used for assessment
		<ul style="list-style-type: none"> • Declaration of the intolerant position of country's government; • Significant difference between the number of "revealed" cases and the real number of cases sentenced by a definitive court decision; • Focus on combat of "small-sized corruption", lack of conviction of high rank state officials 	<ul style="list-style-type: none"> • A series on suits filed for corruption (predominantly employees in the field of education, health protection, customs, and lower level local public administration); • More actions were made for implementation of National Strategy for prevention and combat of corruption; • Tolerance for cases within public institutions; implication of high rank officials and law enforcement employees; 	<ul style="list-style-type: none"> • Criminal records filed against some exponents of the governing party (Orhei Mayorality); 	<ul style="list-style-type: none"> • Lack of a strong and competent political opposition that would exercise a real control of governance; • Lack of a free and influential mass-media; • Maintaining in position of employees whose probity is doubtful; • Inefficiency of inactivity of Court of Accounts and other administrative control organs in territory (lawfulness of local acts); 		<ul style="list-style-type: none"> • Concept proposals for RM participation in Millennium Challenge Account Program; • Mass-media; • Studies of local and international institutions; • Documents regarding strategy implementation in the field; • Estimates of authors;

4. JUSTICE

General considerations / Status of magistrates

Although the reformation of justice is a priority of the Moldova-E.U. Action Plan and international and community institutions recommend it insistently and political parties declare it as a primary necessity, few events capable to consolidate the independence and the authority of justice took place in the 2nd quarter of this year. The legislative changes made in 2005 are not very efficient, while the process of selection and appointment of judges did not become transparent and fair so far. The transparency of contests for employment of judges is reduced to publication of announcements, while information about contests, participating and selected candidates is not published. The process of appointment of judges is delayed. Although the contest for the employment of judges of the Supreme Court of Justice was announced earlier this year, the Parliament did not appoint any candidates by mid-July. Several events could be remarked as regards the status of magistrates and the authority of imposing respect for the law:

a) The Congress of the Moldovan Bar has adopted resolutions on state of things in the system, which reveal that lawyers do not enjoy the independence stipulated by law, many orders of the law on bar must be modified, the Justice Ministry has a too big influence and sometimes abusive on this field, while the budgetary remuneration of counsels for the defence appointed by the judge is inappropriate.

b) The report by the Commission for the Protection of Human Rights in Moldova (CPHRM) reveals that *economic* obstacles remain essential in exercising the right to access to justice: the lack of funds to pay the state tax; the lack of incomes to employ qualified attorneys and to pay for an effective defence. The *information of the defendant about decision on his case* still has an unsatisfactory nature, as some convicts are waiting many months for a copy of the verdict, though the Code of Penal Procedure stipulates a term of several days in this respect. The terms of examination of some cases are delayed in continuation not only from objective reasons, especially when they are different for every court, even in the Chisinau municipality, where conditions are similar.

c) The Parliament passed in the first reading several *draft laws on justice and status of magistrate* in late June. They seek the modification of several regulations on status and activity of the judicial system, of the Superior Council of Magistrates, ensuring of an aleatory distribution of cases, etc.

d) On June 19, the Plenum of the Supreme Court of Justice examined a *report by chairpersons of the Courts of Appeals concerning the making of justice in the past period of 2006*, through problems and priorities of perspective. The Supreme Court of Justice has adopted a decision indicating the need of speeding up the examination of penal cases of arrested defendants; respecting the provisions of legislation related to issuing of proceeding acts and execution of judgments; granting systematic methodical assistance to judges of lower courts; ensuring a continued learning of the judicial practice, legislation on protection of human rights, direct implementation of the ECHR jurisprudence.

e) In spite of a better situation, it is permanently found in the procedure of the Execution Department of the Justice Ministry and 42 territorial offices that more than *70,000 executory documents* (acts of law courts and other competent bodies) *are not executed*, while the percentage rate of the real execution is about 40 percent. Most of executory documents (over 70 percent) envisage the collection for the state's benefit. Deputy Gheorghe Susarenco has asked the Prosecutor-General's Office to report to the Parliament on *non-execution of judgments by Government members and measures taken in this respect*, in line with legislation in the area (instituting of penal proceedings). The Committee of Ministers of the Council of Europe (CoE) held a sitting on execution of the ECHR judgments by CoE member states on June 6-7 and adopted a document recommending *Moldova to take legislative measures and to implement reforms in the justice sector in order to prevent the non-execution of judgments*. Moldova, Russia and Ukraine are regarded as "relevant states" through lots of applications lodged with the ECHR.

Political independence / transparency

Although it is declared and consolidated by a series of legislative regulations, the political independence of magistrates is doubtful in some trials. Interventions of authorities in the justice making process have lost intensity, but they still exist, have a more veiled nature, without leaving many traces of written indications and requests. Very little was done regarding transparency, and actually only the OSCE-supported project allows the monitoring of some trials, while efficient measures are not taken within the system. Events referring to the mentioned aspects:

a) According to some publications, *the examination of cases is delayed in a move to avoid the sentencing* by ECHR³. The cases are redelivered more than once for new trying, the procedure is very long, while old plaintiffs do not live to see their cases settled. It is said that the authorities are trying to reduce artificially the number of applications lodged with the ECHR, delaying final judgments of the Supreme Court of Justice, so that the European court cannot be appealed because not all internal courts have been appealed.

b) On May 25, the penal college of the Supreme Court of Justice annulled some ordinances issued by prosecutor's office and *demanding the suspension of the penal case filed against former mayor-general Serafim Urechean*. The Prosecutor-General's Office described this ruling as groundless. Deputy Alexandru Lipcan said that *the chairperson of the Centru district court of the Chisinau municipality has committed violations* in the process of trying some persons (sentencing to detention in a case when the prosecutor has withdrawn the accusation). The Court of Appeal has confirmed the illegal actions by annulling a verdict issued by the chairperson of the court and releasing the accused person.

c) Marianne Mikko, head of the European Union's delegation in the Moldova-E.U. Interparliamentary Cooperation Committee, said that „10 years of detention for a person who chose the buyer of the MiG aircraft – the United States or Iran – is a too long term.” European parliamentarians reiterated the previous statements while on a visit in late June, noting that they will insistently monitor in continuation the trial of Pasat and hope that Moldova, which wants to join the E.U., will comply with general European requirements and will respect the separation of branches of the power.

Training of specialists from system /Material welfare

Judges and employees of the judicial system are trained at seminars and thematic courses of several days, most of them being organised with the support of international organisations and NGOs. The final adoption of the law on National Institute of Justice is the best accomplishment, but the enforcement of this law will last one more year. No major evolutions are observed regarding material welfare, with representatives of public authorities saying that the financing is sufficient and accordingly to international standards, while representatives of the judicial system and independent institutions demanded an essential rise of salaries, financing and a better endowment of courts. Major events in the field are:

a) The Justice Ministry has replied to an interpellation by Deputy Vitalia Pavlicenco regarding the inappropriate financing of justice in Moldova, saying that a study conducted by nongovernmental organisations in the field is incomplete. According to the Justice Ministry, *the amount allocated from the state budget to law courts and other bodies participating in making justice is a limit that fits the international standards in the field*. However, independent experts, lawyers and representatives of the judicial system fear that the financing for justice is inappropriate, insufficient, while salaries and social insurance are low. *The mechanism of elaboration and approval of financial needs for the judicial system is inadequate and requires essential changes*, in order to ensure a real independence of magistrates.

b) On June 23, 2006, the final document of the project “Assessment of Needs of the Judicial System in Moldova” was launched at a news conference. The findings of investigations conducted by 11 groups of judges and prosecutors, with the assistance of the Helsinki-Moldova Committee were unveiled. According to the findings, the salary of a judge from the first-level court should be at least 500 euros at present; a judge of the Court of Appeal should earn 1,000 euros, while of the Supreme Court of Justice at least 1,500 euros. The study revealed among problems: imperfect legislation, lack of information about activity of law courts, weak development of regional courts, lack of efficient social guarantees for judges and other persons participating in making justice.

Alternative ways to settle litigations / Penitentiaries

The introduction of unpaid work for community's benefit is the main alternative way to settle litigations. Institutions of restorative justice such as mediation, probation, and arbitration remain at the level of projects and they are not implemented in the judicial system. However, some legislative acts are being drafted to improve the situation in the field and to allow the implementation of alternative solutions. The situation of penitentiaries remains deplorable, though the authorities are trying to implement some projects in the field, including with the participation of foreign sponsors. The most important developments in the field are:

a) The parliamentary commission for human rights has raised concerns with the *high number of verdicts, including juvenile*, during hearings. In spite of existence of a legislative framework that allows the use of alternatives of

³ Ziarul de garda, 22.06.2006

detention, Moldova lacks a practice of uniform implementation of legal provisions on minors. A law on juvenile justice is needed.

b) *Laws on modification and completion of the Penal Code* are adopted to revise the sanctions for many offences, establish alternative punishments, reduce the maximal detention term for minors, and enlarge the legal framework of applying educative restrictions.

c) The Parliament has passed *the draft law on mediation of penal cases* in the first reading. The Government has delivered the *draft law on mediation in penal cases* to the legislature for examination.

d) The renovation of the Penitentiary # 1 in Taraclia, which *will correspond to international standards in the field*, was finished.

e) A commission of the Moldovan Centre for the Protection of Human Rights has visited the Leova-based Penitentiary and found out that the detention conditions of convicts *do not correspond to all international standards in the field*. The system of penitentiaries *remains insufficiently financed*, and only about half of the needs are covered. Penitentiaries are overpopulated, the food and detention conditions, the lack of necessary medical assistance, the limited access to information, and others may be described as inhuman and degrading conditions. The *Execution Code cannot be applied as a whole* at many chapters.

Monitoring grid 4. Justice

Indicators	Developments in 2ndQ-06	Factors of influence	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress 2nd Q-06	Sources used for assessment
Status of magistrates/ Capacity of imposing respect for law	<ul style="list-style-type: none"> The legislation on status of magistrates is not modified, but certain activities are achieved in the field; The draft strategy on reformation of judicial system is elaborated and proposed for public debates; 	<ul style="list-style-type: none"> E.U.-Moldova Action Plan; Action Plan for execution of CoE recommendations (PD #284/2005); 	<ul style="list-style-type: none"> Several draft laws on status of magistrates, Supreme Council of Magistrates, responsibility and qualification, etc. are passed in the first reading; Very busy judges; Confidence of population for justice remains low; Justice is considered little efficient; Judicial police do not work under complete authority of magistrates, they are poorly endowed; 	<ul style="list-style-type: none"> CoE and E.U. monitoring; Elaboration of the strategy on reformation and consolidation of justice; International methodical and financial assistance; 	<ul style="list-style-type: none"> Complexity of problems; Inconsistency of reforms, stagnation of reformation of prosecutor's office, police; Allocation of insufficient financial and material resources; Low efficiency of activity of the Government and Parliament in promoting and definitive adopting of modifications; Reticence of employees of the system; 	+ 0.5	<ul style="list-style-type: none"> Moldovan legislation; Judgments of SCM and SCJ; Mass media; Website of the Justice Ministry (www.justice.gov.md);
	<ul style="list-style-type: none"> A full access to justice is not ensured from subjective reasons; Legal training of population is not achieved; 	<ul style="list-style-type: none"> International monitoring; Attitude of sides from lawsuits (lawyers-prosecutors); 	<ul style="list-style-type: none"> Persons who lack funds do not appeal to justice; Contradictorality of trials is not completely ensured; 	<ul style="list-style-type: none"> International assistance; Periodical re-evaluation of situation by public and nongovernmental institutions; Warning of public opinion by mass media; 	<ul style="list-style-type: none"> Insufficient technical-material and financial endowment of law courts; Difficulties related to summoning and taking of witnesses; Difficult access to legal information, high costs of information (MO and others); Low quality of judgments (annulment of a high number of judgments by higher courts); 	0	<ul style="list-style-type: none"> Moldovan legislation; Reports by CFHR; Reports by international institutions; Mass media; Estimates of authors;
	<ul style="list-style-type: none"> Number of non-executed judgments is still high; There are cases of non-execution of judgments by political officials; 	<ul style="list-style-type: none"> CoE monitoring; Applications lodged with the ECHR; Implementation of E.U.-Moldova Action Plan; 	<ul style="list-style-type: none"> The Justice Ministry Ministry pays an increased attention to execution of judgments; The judicial police participate in execution of judgments; The law on forced execution is not adopted; 	<ul style="list-style-type: none"> CoE interventions; Warning of public opinion by mass media; 	<ul style="list-style-type: none"> High number of judgments which must be executed, a single record system does not exist; Low capacities and endowments of execution bodies; Insufficient participation of judicial police in execution; Insufficient participation and monitoring of courts in adoption of final decisions; The prosecutor's office does not file penal cases against those guilty of non-execution of judgments, firstly political officials; 	+0.5	<ul style="list-style-type: none"> Resolutions by CoE's Committee of Ministers; Communications of the Execution Department of the Justice Ministry (www.justice.gov.md); Decisions of SCM; Interpellations of parliamentarians; Mass media;
Political independence/ Transparency	<ul style="list-style-type: none"> Major evolutions related to political independence of components of the judiciary cannot be observed; Efficient legislative-normative measures are not adopted in the period concerned; The principle of aleatory distribution of cases is not fully and minutely ensured by legislation; Representatives of the European Parliament doubt over firmness and fairness of sanctions in the „Pasat Case”; 	<ul style="list-style-type: none"> Inefficiency of previous amendments to legislation adopted accordingly to the parliamentary consensus; CoE recommendations; Low activity of legislators, SCM and Justice Ministry; Inertia in promoting reforms; 	<ul style="list-style-type: none"> Penal college of SCJ annulled many ordinances issued by prosecutor's office and ordered the suspension of penal case against former mayor-general Serafim Urechean; the prosecutor's office regards this ruling as groundless; 	<ul style="list-style-type: none"> International monitoring; Activity of NGOs; 	<ul style="list-style-type: none"> Attitude and insufficient attention of main political forces, existence of some political-administrative interests; Low activity of SCM; Interior Ministry and Prosecutor's Office are not reorganised; Low salaries, insufficient social guarantees; Little transparent mechanism of promotion and appointment of judges; Lack of possibilities to contest decisions of SCM on refusal of promotion; 	0	<ul style="list-style-type: none"> Moldovan legislation; Mass media; Interpellations of lawmakers; Estimates of authors;

Indicators	Developments in 2ndQ-06	Factors of influence	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress 2nd Q-06	Sources used for assessment
	<ul style="list-style-type: none"> Sufficient measures are not officially taken to ensure the transparency of justice; 	<ul style="list-style-type: none"> Participation of international institutions and NGOs; 	<ul style="list-style-type: none"> An OSCE-backed project is being implemented to enhance the transparency of lawsuits; Information about conduct of trials cannot be released, mass media does not express interest for monitoring; There are few websites of legal institutions, they do not contain complete information, they are updated seldom; 	<ul style="list-style-type: none"> Intervention of international institutions and NGOs; 	<ul style="list-style-type: none"> Lack of experience in the field; Low interest of the judiciary, low institutional capacities of courts, insufficient endowments; Lack of accessible bulletins of unified judicial practice, websites of courts; Low interest of mass media 	0	<ul style="list-style-type: none"> Mass media; Estimates of authors;
Relevant legislative and normative modifications	Law # 152/2006 on National Institute of Justice;	<ul style="list-style-type: none"> CoE recommendations; 	<ul style="list-style-type: none"> The legal base for creation and start of activity of the institution specialised in training and improving the qualification of magistrates and prosecutors; 	<ul style="list-style-type: none"> Insistence and assistance of international institutions; 	<ul style="list-style-type: none"> Lack of adequate financial resources for an immediate enforcement of the law; Lack of experience in the field; 	+0.5	<ul style="list-style-type: none"> Moldovan legislation;
Training of specialists from sytem / Material welfare	<ul style="list-style-type: none"> SCJ approved the regulation on granting of practical assistance to judges appointed for the first time and judges with a length of work of maximum three years; Conduct of seminars and training courses; 	<ul style="list-style-type: none"> Assistance of CoE, E.U.; Necessity of training employees from system; Foreign assistance; 	<ul style="list-style-type: none"> Granting of methodical assistance by experienced judges for professional formation of beginners; Training of judges to apply the European Convention on Human Rights; 	<ul style="list-style-type: none"> Promotion of training programmes by SCJ; International assistance; Activism of some NGOs; 	<ul style="list-style-type: none"> Lack of a strong scientific training institution; Low accessibility and execution of ECHR judgments, international acts; Unsatisfactory theoretical and practical training of young magistrates; 	+0.5	<ul style="list-style-type: none"> Moldovan legislation and legal practice; Specialised periodicals (Newsletter SCJ, law magazines); Communications of SCJ, SCM, NGO (Ex-Lege); Mass media; Joint programme of EU-CoE;
	<ul style="list-style-type: none"> The state budget is not modified as regards more financing for legal institutions; The project "Evaluation of Necessities of Moldovan Judiciary" reveals many needs; 	<ul style="list-style-type: none"> Attitude of central authorities; Independent studies, intervention of opposition lawmakers; 	<ul style="list-style-type: none"> Investigations reveal the need of doubling salaries, development and poor endowment of territorial courts, lack of efficient social guarantees for judges and other persons participating in making justice; 	<ul style="list-style-type: none"> Stance of SCM and SCJ; Promotion of elaboration of a new financing strategy for this system; 	<ul style="list-style-type: none"> Faulty process of formation of budget for justice, political and administrative control in the field; Poor endowment of courts; Low remuneration; Lack of experience in the field of resource management; 	0	<ul style="list-style-type: none"> Moldovan legislation; Independent studies of assessment of problems and needs in the field; Public statements of representatives of the system; Mass media;
Alternatives ways to settle litigations / penitentiaries	<ul style="list-style-type: none"> Regulations aimed to legalise alternative ways are promoted, but some processes are delayed; Processes of implementation of new institutions develop in partnership with public-NGOs; 	<ul style="list-style-type: none"> EU-Moldova Action Plan; Legislative programme; CoE recommendations; EGPRSP; 	<ul style="list-style-type: none"> The law on modification of Penal Code and Code of Penal Procedure based on principles of restorative justice is adopted, penal sanctions for minors are reviewed; Draft law on mediation of penal causes is approved in the first reading; The Government delivered the draft law on medication in civic trials to the Parliament; Institutions in charge with execution of penal documents on non-detention started new activities in the field with the support of NGO (IRP) – pre-sentencing probation; 	<ul style="list-style-type: none"> Promotion by international institutions; Activity of NGO in the field (IRP); Positive attitude and more active participation of legislators in the process of revision of legislation in the field; 	<ul style="list-style-type: none"> Insufficient knowledge of new principles and institutions by law enforcements, public administration, society; The concept on development of probation service is not drafted and adopted; The law on arbitrage is not improved; Procedures of execution of unpaid work sanction must be improved; Judges, prosecutors, penal investigators, psychologists, lawyers are not specialised for cases involving minors; 	+1	<ul style="list-style-type: none"> Moldovan legislation; Activity of Parliament and Government; Communications of the Execution Department of the Justice Ministry; Mass media; Information about activity of NGOs in the field;
	<ul style="list-style-type: none"> Rebuilding and modernisation projects are implemented in system of penitentiaries; Detention conditions in most of prisons remain unsatisfactory and even inhuman; Minimal daily nutrition norms for convicts and offering of detergents are approved (GD # 609 from 29.05.2006); 	<ul style="list-style-type: none"> Auction plan on human rights; E.U.-Moldova Action Plan; Implementation of new Execution Code; 	<ul style="list-style-type: none"> Penitenciarul Nr.1 din Taraclia este renovat și corespunde standardelor internaționale în domeniu; A section for separated detention of minors will be built in the Rusca-based prison for women. Essential rearrangements have been made in a dwelling block of the same prison. Computer training courses will be organised in the penitentiary; A modern prison will be built in the locality of Pruncul; The Code of Execution cannot be entirely applied for several chapters; 	<ul style="list-style-type: none"> Foreign assistance (the Swiss Agency for Development and Cooperation, the Rescue Army Foundation, German investors); Modernised provisions of the new Execution Code; 	<ul style="list-style-type: none"> Penitentiaries are overcrowded, detention conditions are inhuman and degrading; The system of penitentiaries is still insufficiently finances and only half of its needs are covered; Legislation (Code of Penal Procedure, and others) does not ensure a full and free access of persons in preventive dention to justice; 	+0.5	<ul style="list-style-type: none"> Reports by CFHR (www.ombudsman.md); Reports by international institutions and local NGOs specialised in the field of human rights; Proposals of lawyers aimed to improve the legislation (www.avocatul.md); <p>Official communications of the Department of Penitentiaries; mass media;</p>

5. DEVELOPMENT AND ECONOMIC AND SOCIAL REFORMS

Poverty reduction

According to our estimates, the personal earnings continued to grow (7-8%) in the 2nd quarter, but more varyingly than before. Earnings of rural residents rose slower (4%) than of townspeople (10%). Remittances from abroad, salaries and earnings from agricultural works remain the main personal revenues. According to official sources, remittances rose by 18% in the 1st quarter of this year. They rose by 22-25% in the 2nd quarter, according to our estimates, following a season trend.

Like in the previous issues of Euromonitor, the authors have to ascertain again that the lack of official statistics obstruct a good analysis of poverty. However, certain information sources report a marginal rise of the poverty incidence in 2005. According to the joint assessment of the International Monetary Fund and the World Bank on the Report of the Moldova Government concerning the implementation of the EGPRSP, the poverty incidence in Moldova has grown in the first three quarters of 2005⁴. Also, the draft National Strategy on Employment Policies, the poverty incidence has grown from 26% in 2004 up to 29% in 2005⁵. The poverty growth is a grave counterperformance, which will halt the European integration of Moldova. Although the poverty did not grow very much, the trend itself raises concern. The poverty incidence has grown in parallel with the real rise of Gross Domestic Product for the first time after 1999. The poverty continued to drop in urban areas, but it has significantly grown in villages. The stagnation of economic growth in rural areas, where the agricultural production has risen by 1% only, is the normal explanation of reversion of positive trends that persisted in 1999-2004. This confirms one more time the findings of the previous issues of Euromonitor that a lasting poverty reduction in Moldova may be achieved only if ensuring an economic growth and modernisation in rural areas.

Consolidation of economic growth

Statistics published by BNS show that the GDP rose by 6.2% in the 1st quarter, by two percentage points more than in the 1st quarter of 2005. Although it was on the decline, this economic growth is surprisingly high, given the difficulties faced by Moldovan industry in the first three months of this year (it declined by 0.3% compared with January-March 2005). Economic analysts were expecting a much lower economic growth after the crisis in commercial relations with the Russian Federation has started.

However, a structural analysis of economic growth leads to more pessimistic conclusions. Calculated after the method of resources, the GDP is made up of the gross value-added and net duties on product and import. Namely this evolution of gross value-added shows the true progress in productive sector. Indicating this detail, we should remark that rise paces of gross value-added continued to slow down in 2006. It has grown by 3.5% only in real terms, compared with 6.4% in 2005 and 7.1% in 2004. On the other hand, net duties on product and import have accelerated, growing by 21.3% in 2006, compared with 19.7% in 2005 and 0.2% in 2004. Half of the economic growth in the 1st quarter of this year was due to the rise of taxes and less than half rests with an effective rise of production in real sector. Such a model of virtual economic growth is not sustained. Some recent economic developments confirm these findings:

- industrial recession of -6.5% in the first six months of this year;
- stagnation of agricultural production in the 1st quarter (with an insignificant rise of 0.8%);
- decline of meat production (by 26%), flour (by 20%), wines (by 50%) and pumps (by 50%);
- decline of quantity of goods carried in January-May by 18%.

The fall of industrial production after worsening of commercial relations with Russia is one of explanations of the recession. At the same time, it should be mentioned that a strong decline was registered in branches that do not depend on commercial relations with Russia at all. Some branches continue to be in a string expansion - trade, telecommunications, constructions, but they employ a relatively small number of workers. Statistics also reveal a „rise” of some public services – administration, healthcare, education – but this is the result of higher salaries rather than of effective services. Facing a true macroeconomic shock after Russia’s commercial interdictions, the agriculture and wine industry are at a crossroad where development strategies of these sectors should be seriously reconsidered. The fulfillment of this task rests both with private producers and with Government. The Government has intervened rather rhetorically until now in order to settle the wine crisis and to help producers find new markets.

The consumption demand remains high despite of an anaemic internal supply. The final consumption of households rose by over 13% in the 1st quarter of 2006. The Government’s inclination for consumption is growing

⁴ JSAN, May, 2006.

⁵ SNPOFM, 2006.

slower. The governmental consumption grew by 3% in January-March 2006, compared with 0.2% in 2005 and dropped by 14% in 2004.

But investments in fixed capital have grown much slower than last year – by only 9%, compared with 27% in the 1st quarter of 2005 and 15% in 2004. Exports have dropped by about 9% in the period concerned. Imports only can attenuate the acute lack of balance between internal demand and supply linked to a strong growth of final consumption. They growth has accelerated from 8.6% in 2005 up to 15% in 2006. Remittances from Moldovans working abroad remain the main source of financing of imports, but salaries paid on domestic market have also become an important factor of consumption.

The tax policy still aims at ensuring the stability of macroeconomic framework and financing short-term and medium-term development financing. Budgetary revenues continued to grow fastly in the first six months of this year and the budgetary deficit does not seem to be a problem at least for the time being. At the same time, the inflation grows with alarming paces. Some prices were by 7.4% higher in the first half of this year than in December 2005. The disinflation will be minimal in July-August due to poor crops. Given the recent rise of natural gas tariff and fuel prices and pretty strong inflationist expectations, the inflationist target of 8-10% may be failed in 2006.

Real salaries were by 15% higher in January-May 2006 than in the similar period of 2005. Salaries have grown slower in industry like in the precedent months, this fact being linked to uncertainties of wine exports in 2006. From these reasons, many producers have sent their employees in administratives leaves. We may expect a significant rise of unemployment rate and reduction of salaries in several affected branches, if a solution to the problem of wine exports is not found by autumn.

Cooperation with international financial institutions

As you had earlier forecasted, the crediting relations between IMF and Moldova have been definitively resoted. On May 5, 2006, the IMF Executive Board approved a three-year agreement with Moldova on basis of the Poverty Reduction and Growth Facility (PRGF). Moldova will receive credits worth about 118 million dollars, of which it has already got the first part in the amount of 16 million dollars. Moldova could benefit of a new part released within this agreement by the end of this year due to the successive rise of the price of natural gas imported from Russia. The annual interest rate for credits released within PRGF is 0.5% and the loans are offered for a 10-year term. The objectives of the agreement correspond to the Moldova-E.U. Action Plan and they will contribute to a good implementation of this plan. This way, an express objective of the Moldova-E.U. Action Plan is fulfilled through the signing of the agreement with IMF.

At the same time, the restoration of the IMF's crediting is not a guarantee that the economic growth will be accelerated and macroeconomic risks will be removed. The structural reforms must continue for this purpose in order to encourage the development of the private and public sectors of economy, to improve the investment climate and to modernise the physical and institutional infrastructure of economy. A new IMF mission completed its visit to Moldova in July 2006. The mission aimed not only to examine the results registered in the first three months of implementation of the IMF-financed programme. According to mission members, „the Fund could study the possibility of enhancing the financial assistance for Moldova in order to reduce the consequences of the economic risk after the rise of the natural gas price.”⁶

Fiscal transparency and durability

Performances in the field of fiscal transparency and durability remained ambiguous. The Government promotes the principle of fiscal transparency and durability at the level of macro-decisions, including by elaborating and implementing the Medium-Term Expense Framework. The Government published the 2007-09 Expense Framework in June 2006, and the document outlines the general principles of tax policy and reference parameters of management of incomes, expenses and public debt. The series of positive actions includes the publication of the report on execution of the 2005 state budget. On the other hand, there are cases of non-uniform implementation of tax legislation. The Moldovan Parliament has awarded more than once derogations and fiscal exemptions or other payments without economic ground, at the Government's proposal or at the initiative of some lawmakers. The allocation of 583,000 lei to the state-owned company TeleRadio-Moldova from the reserve fund of the executive to pay debts to the national public budget is the best example in this regard.

The Council of State Creditors continued the procedures of „fiscal isolation” of some state enterprises or state-run businesses. Most of these decisions have a limited impact on financial condition of these companies and do not improve much the managerial performances on long term. It seems that the IMF has made the Government understand this fact. According to the new cooperation programme between IMF and Moldova, the Council of State Creditors will be closed by end of 2006, while its competences will be taken normally over by tax bodies. At the same time, the Council will function „in normal regime” till September 30, according to official statements, and we may expect more cases of „fiscal isolations” meantime.

⁶ www.imf.md.

Monitoring grid 5. Development and economic and social reforms

Indicators/ fields	Developments in 2nd Q-06	Factors of influence	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress in 1st Q-06	Sources used for assessment
Poverty reduction	<ul style="list-style-type: none"> Growth of personal earnings by 7-8% (estimates of EXPERT-GRUP); 	<ul style="list-style-type: none"> Rise of real salary, transfers from abroad and earnings from agricultural activity; 	<ul style="list-style-type: none"> Poverty reduction in urban areas and growth of urban-rural inequalities; 	<ul style="list-style-type: none"> Administrative rise of budgetary salaries; Growth of pensions and other social payments; 	<ul style="list-style-type: none"> Higher prices; Decline of wine industry; Decline of other industrial branches; 	+0.5	Estimates of authors; BNS data;
Economic growth	<ul style="list-style-type: none"> Economic growth in the 1st quarter of 2006 was 6.1%. 	<ul style="list-style-type: none"> Growth of net taxes on product and import and rise of gross value-added. Rise of final consumption of households. 	<ul style="list-style-type: none"> Deepening of unbalanced economic growth in Moldova. 	<ul style="list-style-type: none"> Maintenance of transfers from abroad at a constant high level. Signing of the agreement with IMF. 	<ul style="list-style-type: none"> Economically unreasonable allocation of resources transferred from abroad. Rise of the price of gas imported from Russia. Crisis of wine exports. 	+0.5	Estimates of authors; BNM data;
	<ul style="list-style-type: none"> Very poor performances of industry. The industrial decline in the first six months of the year was 6%. 	<ul style="list-style-type: none"> External trade barriers; Low competitiveness of domestic industrial production (problem of standards and quality); 	<ul style="list-style-type: none"> Narrowing of base for GDP growth; Reduction of salary rise prospects; 	<ul style="list-style-type: none"> Existence of some niches on Central European markets (Poland) and Asian markets (China); 	<ul style="list-style-type: none"> Introduction of new sanctions or commercial barriers by the Russian Federation; Propagation of crisis; 		
	<ul style="list-style-type: none"> The rise of real salaries by 15% in January-June. 	<ul style="list-style-type: none"> Administrative rise of budgetary salaries; Growth of sales in trade sector; 	<ul style="list-style-type: none"> Better remuneration of labour factor; Larger available earnings; 	<ul style="list-style-type: none"> Rise of salaries in private sector and those paid by foreign competitors in Moldova; 	<ul style="list-style-type: none"> Reduction of industrial growth paces and risks of decline of the sector; Informal salary practice; 		
Cooperation with IMF	<ul style="list-style-type: none"> Signing of the Agreement of the Moldovan Government and the National Bank of Moldova with IMF concerning economic policies. 	<ul style="list-style-type: none"> Interest of establishing relations with IMF for restructuring the debt and obtained cheap financial resources. More tolerant attitude of IMF toward Moldova, which suffered a strong macroeconomic shock in 2006. 	<ul style="list-style-type: none"> Allocated resources will help balancing the current account and ensuring the budgetary balance. 		<ul style="list-style-type: none"> Incoherence of structural policies; 	2	Estimates of authors;
Public finances	<ul style="list-style-type: none"> Elaboration of the 2007-09 Medium-Term Expense Framework; 	<ul style="list-style-type: none"> Need of extending the Medium-Term Expense Framework on more sectors and ensuring a regulation framework for MTEF; 	<ul style="list-style-type: none"> Ensuring of a clear financial perspective and education of stabilising public forecasts. 	<ul style="list-style-type: none"> International support provided to MTEF process; Professionalism of functionaries in charge with elaborating the MTEF. 	<ul style="list-style-type: none"> Prevaling of some narrow ministerial interests over national development priorities. 	0	Estimates of authors.
	<ul style="list-style-type: none"> Granting of casual facilities and tax exemptions; 	<ul style="list-style-type: none"> Corporate interests and lack of transparency; Lack of a public control on financial resources; 	<ul style="list-style-type: none"> Reduction of budgetary collections; Favouring of dishonest competition; 	<ul style="list-style-type: none"> Ensuring of a wider political and public control on public finances and ensuring of a transparent promotion of draft laws; 			
	<ul style="list-style-type: none"> Lack of transparency in state control on use of public finances; 	<ul style="list-style-type: none"> Lack of independence and self-censorship of control authorities. 	<ul style="list-style-type: none"> Budgetary costs; 	<ul style="list-style-type: none"> Amendments to the law on Chamber of Auditors; 			

6. INTERNATIONAL TRADE

Evolution of trade

The negative trends of foreign trade registered in the 1st quarter of this year, which were materialised through a massive rise of imports and an extremely low growth of exports, were outlined in the 2nd quarter of 2006. Russia's embargo on export of Moldovan agri-food products was a factor that halted the commercial expansion. Statistics do not allow a synthesis of the evolution of trade in the 2nd quarter of 2006, but data for January-May reveal that exports have dropped by 10.6% compared with the similar period of 2005, while imports have grown by 14.4%. In addition, we consider that differences will be bigger once the data for the entire 2nd quarter are released.

The trade deficit has grown up to about 562 million dollars, which is 1.5-fold larger than in January-May 2005. According to our estimates, the deficit of trade balance for the 2nd quarter of 2006 could be about 700 million dollars. The reduction of exports was conditioned by a decline of exports to the CIS by 18.8%, in particular of those to Russia by 38.7%, Armenia (-44.1%) and Azerbaijan (-25.4%). If making a synthesis of structures of exported goods, we consider that producers and exporters of agri-food products have suffered the most, as this category of goods declined by 10.6% compared with January-May 2005, while it covers more than half of exports. The rise of imports was especially due to a growth of 1.4-fold of imports of mineral products and energetic agents, which cover about 27% of the total of imports.

Exports to the E.U. have declined by about 3%, compared with January-May 2005, and they covered 30% of the total of deliveries. The decline of exports to the E.U. may be explained through the reduction of exports of food and vegetal products. On the other hand, Moldova's exports to Central and Eastern Europe have grown by 14.1%, especially to Bulgaria, Poland, Ukraine and Belarus. At the same time, imports from the E.U. have risen by 4.3% only compared with January-May 2005, while the main imports consisted of machines and devices, textiles and plastic materials, mineral and chemical products.

Trade relations with Russia

Russia's obstacles on way of importation of wines and agri-food products from Moldova were the main factors that led to a significant decline of Moldovan exports in the period concerned. Even the rounds of negotiations between sides that took place in the period concerned did not lead to a compromise between Chisinau and Moscow regarding the relief of wine and agri-food exports. Even more, exports to Europe have grown very slowly, while deliveries to the E.U. have dropped and that's why we cannot speak about entry on other markets capable to replace the exports to Russia. The still low quality of Moldovan agricultural products, a quality that Russian authorities often indicate, is an obstacle on way of the trade with the West.

Once being driven to extremity, both authorities and wine producers and exporters have elaborated plans on promotion of wine production for every country where Moldova intends to extend its presence. They made a number of visits to other countries (China, Poland, Austria, the United Kingdom, Romania, the United States, etc.) in the 2nd quarter of 2006, following a key goal: to promote and to diversify the markets for Moldovan wines and others. At the same time, Moldovan officials have asked the E.U. to reduce the duties for exportation of Moldovan wines and to annul the customs duties for some groups of Moldovan products.

Indeed, this situation has demonstrated one more time that a unilateral dependence on a market, the Russian market in this case, may have dramatic consequences on exports in particular and on country's economy in general. We think that the consequences of this blocking will be a lesson for Moldovan producers because the possession of some known brands of products or the gaining of some medals at international contests and fairs is not enough. Moldova must implement a series of institutional and regulatory reforms in the field of certification and quality for this purpose.

A series of negotiations between Chisinau and Gazprom officials regarding the final price of natural gas delivered to Moldova took place in the 2nd quarter of 2006, but their results were inaccessible for wide public. However, an agreement was finally signed and Moldova pays 160 dollars per 1,000 cubic metres of Russian gas starting July 1, 2006, this price being two-fold higher than in 2005. We consider that the rise of the gas price will influence the imports, while the deficit of trade balance will have one more factor of growth.

Trade policy

Although it was enforced half a year ago, the export promotion strategy of Moldova is not developing. Many experts admit that the current export promotion strategy is not pretty aggressive, the way it should be in a country which has to recover a lot of things as regards the commercial relations. It should promote the Moldovan enterprises willing to represent Moldova on European market, after the model of other new members, insisting on markets where exports have declined.

The regulation on completion, authentication and release of origin certificates for commodities exported from Moldova to the E.U. within a preferential trade regime took effect in the 2nd quarter of 2006. Under the document, the authentication of the commodity origin certificate and its issuing rest with customs officers in charge with exportation of goods. The regulation was drafted in accordance with the General System of Preferences of the E.U. and approved by Moldova's Customs Service.

Trade regime with E.U.

Although Moldova benefits of the Generalised System of Preferences GSP+ starting January 1, 2006, Moldova's exports to the E.U. have grown very slowly and the deliveries of some products have even declined. Moldovan exports did not recover from the „cold shower” imposed by the Russian Federation to Moldovan wines and food products and it failed most of quality standards in order to make the production competitive on the E.U. market. On the other hand, wine exports to the E.U. do not benefit of the GSP system, and no concession was offered for fruit and vegetable exports. Exports of textiles to the E.U. are regulated by special agreements on textiles.

The Chisinau authorities have asked more than once European officials in the period concerned to reduce the tariffs for Moldovan wine exports to the E.U. market and to increase their market share. The problem of Moldovan exports was discussed at many national and international forums at which Moldova has exhibited its products, as for example, in Romania. The neighbouring country said that it stands ready to help economic agents working in agri-industrial sector of Moldova to enter the European market.

Monitoring grid 6. International trade

Indicators	Developments in 2nd Q-06	Factors of influence	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress in 1st Q-06	Sources used for assessment
Evolution of international trade	<ul style="list-style-type: none"> Strong decline of exports; 	<ul style="list-style-type: none"> Russia's embargo on Moldovan products; 	<ul style="list-style-type: none"> Recession of industry; Risk of a system crisis; Risk of intensified emigration; 	<ul style="list-style-type: none"> Moldova's status as member state of WTO; Russia's lateness in joining the WTO till December 2006; 	<ul style="list-style-type: none"> Risk of new trade barriers; Uncertain situation of Moldovan workers; 	-2.0	Estimates of author;
	<ul style="list-style-type: none"> Massive growth of imports increased the trade deficit; 	<ul style="list-style-type: none"> High demand of production and household sectors; 	<ul style="list-style-type: none"> Persistence of a consuming society and negative influence on domestic production sector; Growth of trade deficit and current account deficit; 	<ul style="list-style-type: none"> Diversification of export markets on long term; Inhibition of internal demand and stimulation of savings; 	<ul style="list-style-type: none"> Existence of commercial barriers of E.U.; Still low quality of many products; Low quality of transportation infrastructure; 		
	<ul style="list-style-type: none"> Decline of exports to E.U.; 	<ul style="list-style-type: none"> Larger exports to Bulgaria, Poland, Ukraine and Belarus; 	<ul style="list-style-type: none"> Relative diversification of export markets; 	<ul style="list-style-type: none"> Russia's barriers will make producers look for alternative opportunities in E.U., ECE and other countries; 	<ul style="list-style-type: none"> Trends of lower exports to the E.U., especially to Germany and Italy; 		
Trade relations with Russia	<ul style="list-style-type: none"> Blocking of exports of wines and food products; 	<ul style="list-style-type: none"> Following of political interests by Russia; 	<ul style="list-style-type: none"> Loss of positions of Moldovan producers on Russian market; Reduction of export collections; Potential risks of crisis in many sectors of economy; 	<ul style="list-style-type: none"> Quality-related sanctions cannot be universally imposed to all producers; Quality of Moldovan wines was recognised at many wine fairs in Russia; 	<ul style="list-style-type: none"> Confluence of political and economic interests; 	-2.0	Estimates of author;
	<ul style="list-style-type: none"> Russia's statements on higher price of imported natural gas; 	<ul style="list-style-type: none"> Implementation of Gazprom's business strategy in „close neighbourhood”; 	<ul style="list-style-type: none"> Potential price rises in next period; Reduction of welfare of households; Recession of some industrial branches; 	<ul style="list-style-type: none"> On short term: installation of individual and general meters; On long term: diversification of importers and reduction of energy-consuming nature of industry and infrastructure; 	<ul style="list-style-type: none"> Absence of a long-term agreement on importation of natural gas; Wider involvement of Russia in management of Moldovan energy sector; 		
Trade policy	<ul style="list-style-type: none"> Adoption of regulation on origin certificates of commodities exported to the E.U.; 	<ul style="list-style-type: none"> New export promotion strategy of Moldova; Intentions to diversify the markets; 	<ul style="list-style-type: none"> On short-term: imperceptible; On short-term: geographical diversification and diversification of exports; 	<ul style="list-style-type: none"> Support of international organizations; Willingness of producers and exporters to diversify the export markets; Implementation of MSTQ strategy; 	<ul style="list-style-type: none"> Still low quality of some exported goods will not allow the reorientation to other markets; Insufficiency of financial resources to finance some „aggressive” export promotion policies; 	+0.5	Estimates of author;
Trade regime with E.U.	<ul style="list-style-type: none"> Functioning of GSP+; 	<ul style="list-style-type: none"> Trade commitments of the E.U.; Moldova's intentions; 	<ul style="list-style-type: none"> Effects of GSP+ system are imperceptible so far; Rise of share of exports falls under incidence of trade preferences; 	<ul style="list-style-type: none"> Geographical redirectioning of exports; Conduct of several business forums (Poland, Romania, China); 	<ul style="list-style-type: none"> Insufficient information of businessmen; Insufficient business contracts with E.U.; 	+0.5	Estimates of author;
	<ul style="list-style-type: none"> Continuation of negotiations on PCA. 	<ul style="list-style-type: none"> Need of obtaining a free access to the E.U. market; 	<ul style="list-style-type: none"> Larger fiscal savings; Rise of competitiveness through price; 	<ul style="list-style-type: none"> Opening of E.U.; Intense activity of Moldovan diplomacy; 	<ul style="list-style-type: none"> Low quality of Moldovan goods; Lack of business contracts with E.U.; 		

7. BUSINESS CLIMATE

Reform of commercial right

No important progress in widely implementing the „one-stop-shops” was registered. The elaboration of some completions and amendments to the insolvency law # 632-XV from November 14, 2001 by the Ministry of Economy and Trade was a significant evolution in the field of commerce. The draft law was published on the ministerial website for public debates. The main amendments and completions envisage the features that the administrator of insolvency procedure must have in order to ensure the integrity of the process, legal correctness and respect for rights of creditors. Also, the law establishes that the insolvency may be settled by courts only, giving up the inefficient and often unfair extra-trials. The law also stipulates the closure of the Council of State Creditors and the transfer of its competences to the Tax Inspectorate starting January 2007.

The Moldovan Parliament has modified and completed the law on entrepreneur's patent at the initiative of the Ministry of Economy, and this fact raised intense public debates regarding the correctness of the request. Under the law, Moldova will gradually annul the patents for trading of some types of goods and granting of some services. The law also calls for the reduction of the fee for patent, introducing at the same time mandatory social insurance taxes. Although a certain number of holders of patents will be affected by annulment of patents, we think that the patents for trade must be annulled for a better fiscal management and the net economic effect will be positive. The situation when commercial companies working on basis of patents pay taxes of hundreds of lei a month while they have turnovers of hundreds of thousands of lei is aberrant.

Regulatory reform

The Ministry of Economy and Trade has drafted the reform strategy of the framework regulating the entrepreneurial activity in Moldova and the plan of implementation of this strategy within the regulatory reform. Thus, the regulatory reform, which started through the known „Guillotine law” and aimed to simplify the normative framework, reaches the level when it could be called „Guillotine-2” and aims at simplifying the legal framework. This way, the ministry has partly fulfilled a very important commitment of the Moldovan Government. The drafting of a regulatory strategy, but especially of a coherent action plan with fixed terms and a clear division of responsibilities is a clear provision of the Action Plan. The strategy identifies the main problems typical to the domestic business climate, while the most important are:

- voluminous legal framework inefficient and inconsistent with principles of market economy and business relations;
- lack of transparency and consistency in drafting and applying regulations;
- contradictions between regulations drafted by courts of different levels;
- lack of an adequate monitoring of implementation of regulations and lack of analyses of the impact of regulations on business activity.

Several important evolutions were observed in the field of small- and medium-sized enterprises in the 2nd quarter. The Parliament adopted the law on sustenance of small- and medium-sized businesses. The law aims to sustain the small- and medium-sized businesses, starting from their economic and social importance. The document establishes the forms of sustenance of the small- and medium-sized businesses by state and classifies the enterprises as micro, small and medium on basis of 4 criteria.

The Government adopted in May the strategy on sustenance of small- and medium-sized businesses for 2006-2008 and the action plan on implementation of the strategy. The declared goal of the Government is to create favourable conditions for development of small- and medium-sized enterprises and to enhance their contribution to a sustained economic development and poverty reduction. The strategy identifies the following major barriers that on way of development of small- and medium-sized enterprises:

- inefficient regulatory framework;
- limited access to financial and information resources;
- low international competitiveness of national enterprises;
- low entrepreneurial skills and undeveloped business support infrastructure.

These obstacles will be tackled within five strategic directions of activity identified by strategy. The very small amounts allocated by Government every year for development of small- and medium-sized businesses from state budgets is the main problem that we see in connection with this strategy.

Competition

No significant progress was observed in this very important field. The creation of the National Agency for the Protection of Competition is delayed, though the Action Plan stipulates the effective implementation of legislation on protection of competition. At the same time, the free competition was limited by a series of appeals from Govern-

ment and Parliament, so that some state-owned enterprises got rid of large fiscal debts, being indirectly advantaged compared with their private competitors.

Privatisation

Lawmakers have passed in the first reading a draft law on amendment of the Law # 1217-XIII from June 25, 1997 on privatisation programme for 1997-1998, during the summer session. The adopted document calls for the modification of lists of objects for privatisation. The list of companies proposed by Government for privatisation included a number of important state-owned enterprises or businesses in which the state owns shares: commercial bank EuroCreditBank S.A., I.M. JOLLY-ALON S.A., I.S. Giuvaer, I.S. Hotel DACIA (which was nationalised in 2001), S.A. Aroma, S.A. Barza Alba, S.A. Moldtelecom, S.A. Power Distribution Grids Nord and Nord-Vest, S.A. TUTUN-CTC, S.A.Floare-Carpet, S.A.Zorile.

Customs Service

Some progresses were registered in this field. In particular, the Chamber of Commerce and Industry has transmitted one part of its competences of certification of commodity origin to the Customs Service. They envisage the goods exported to other countries than CIS for the time being.

Monitoring grid 7. Business climate

Indicators	Developments in 2nd Q-06	Factors of influence	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress in 1st Q-06	Sources used for assessment
Reform of commercial right	<ul style="list-style-type: none"> Lack of progress in implementing the „one-stop-shop” 	<ul style="list-style-type: none"> Unknown; 	<ul style="list-style-type: none"> Late reform; 	<ul style="list-style-type: none"> Inertia accumulated in 2005; Positive assessment of impact of pilot projects; 	<ul style="list-style-type: none"> Resistance of envisaged institutions and central authorities; 	0.25	Estimates of author;
	<ul style="list-style-type: none"> Modification of the law on insolvency; 	<ul style="list-style-type: none"> Part of regulatory reform; Recommendations of IMF; 	<ul style="list-style-type: none"> Enhanced efficiency of insolvency procedures; 	<ul style="list-style-type: none"> Modification of the privatisation programme; 	<ul style="list-style-type: none"> Bureaucratic resistance and some corporate interests; 		
Regulatory reform	<ul style="list-style-type: none"> Submission of the draft law on basic principles and mechanism of regulation of entrepreneurial activity to the Parliament; 	<ul style="list-style-type: none"> Need to update the regulation framework; Continuation of the reform launched in 2005; 	<ul style="list-style-type: none"> Legislating of some favourable principles for business (stability, transparency of regulatory framework, etc.); 	<ul style="list-style-type: none"> Projects of consolidation of private sector backed by international institutions; 	<ul style="list-style-type: none"> Resistance of envisaged institutions and central authorities; 	1.0	Estimates of author;
	<ul style="list-style-type: none"> Drafting of the strategy on regulatory reform; 	<ul style="list-style-type: none"> Need to update the regulation framework; Continuation of the reform started in 2005; 	<ul style="list-style-type: none"> The legislative guillotine stage follows and legislative provisions that obstruct the normal entrepreneurial activity will be eliminated; 	<ul style="list-style-type: none"> Projects of consolidation of private sector backed by international institutions; 	<ul style="list-style-type: none"> Uncertainty of financing sources; 		
Competition	<ul style="list-style-type: none"> Lack of progress in creating the National Agency for the Protection of Competition; 	<ul style="list-style-type: none"> Hidden interests and corporate pressures on executive; 	<ul style="list-style-type: none"> Practices of unloyal competition continue; 	<ul style="list-style-type: none"> Assuming of commitments of structural reforms by government; 	<ul style="list-style-type: none"> Effective dependence of other regulatory agencies on Government; 	0	Estimates of author;
Privatisation	<ul style="list-style-type: none"> The Privatisation Programme was modified; 	<ul style="list-style-type: none"> Need of signing an agreement of policies with IMF; 	<ul style="list-style-type: none"> Inclusion of many state companies in list of privatisation; 	<ul style="list-style-type: none"> Signing of agreement with IMF; 	<ul style="list-style-type: none"> Resistance of envisaged institutions and central authorities; 	0	Estimates of author;
Customs Service	<ul style="list-style-type: none"> Handover of competences of certification of commodity origin to the Customs Service; 	<ul style="list-style-type: none"> Conditions imposed by E.U. 	<ul style="list-style-type: none"> Facilitation of negotiation of an asymmetrical free trade regime with the E.U.; 	<ul style="list-style-type: none"> Existence of a political need of reform; 	<ul style="list-style-type: none"> Lack of experience and necessary human resources. 	1.0	Estimates of author;

8. BORDER CONTROL

Implementation of the December 4, 2003 border control concept

The adoption of the Law on Border Guard Service is late. In spite of the Plan of Priorities of the Ministry of Foreign Affairs and European Integration and the Legislative Plan of the Moldovan Parliament, this law was not adopted so far. The initial draft is being re-examined in connection with recommendations of E.U. experts. No significant progresses were observed in the 2nd quarter.

A limited progress is observed in connection with the state border guard concept, but it will be adopted in the 3rd quarter of 2006, in line with the Legislative Plan.

Intensifying cooperation between agencies in charge with border management and neighbouring countries

The activity of the Border Assistance Mission remains a successful story, which was highly appreciated by the European Parliament's Delegation in the E.U.-Moldova Parliamentary Cooperation Committee and E.U. High Representative Javier Solana [during the visit of President Voronin to Brussels on June 22].

After important progresses related to the creation of the new customs regime in the Transnistrian section of the border, it is very important to support these positive developments. This is the goal of coordination meetings of the Mission. Thus, the E.U. Border Assistance Mission (EUBAM) held a number of coordination meetings in the 2nd quarter of 2006. According to the Border Guard Service of Moldova, the meetings tackled operational issues, exchanges of opinions and information, issues related to inter-institutional communication and cooperation. At the same time, a special emphasis was laid on prospects of cooperation. Firstly, the priorities in the field of training of functionaries and adjustment of activity of the Border Guard Service to the E.U. norms in the field have been established. Secondly, perspectives of enlarging the area and the period of border control and opening of a new territorial office for EUBAM representatives have been discussed.

In general, we may mention two important positive effects of the Mission's activity and implementation of the new customs regime: 1) an increasing number of Transnistrian enterprises registered in Chisinau; 2) better control on this section of the border through a more efficient combat of illegal trade and migration from the region.

At the same time, the Mission's report (from May 2006) indicates some key fields requiring essential efforts to improve the situation (the report includes 42 recommendations per total): structural issues (firstly, communication and information technologies, adoption of an institutional culture aimed at clients); creation of a risk analysis system; improvement of infrastructure; strengthening of practices of work (in order to adjust them to European standards); training (detection of forged acts, knowledge of foreign languages); combat of illegal activities at border; deeper and better cooperation and coordination between participating agencies (inclusively at international level); permanent implementation of the Joint Declaration (on new customs regime in the eastern section of the Moldovan-Ukrainian border).

A series of trainings took place in the 2nd quarter to improve the Mission-conducted operations. A training on methods of forging acts and measures of detecting them was organised with the EUBAM assistance. On May 19, EUBAM organised a training themed Integrated Border Management for Moldovan and Ukrainian functionaries. Key issues tackled at the training were linked to coordination and cooperation in implementing exchanges of information between agencies involved at national and international levels.

The U.S. Embassy to Moldova held a training for functionaries of the Border Guard Service in June 2006. According to reports by the Border Guard Service, the seminar focussed on better knowledge and skills in discovering secret places where smuggled goods are hidden to be withdrawn from country by various vehicles. The cooperation with border services and agencies from other countries is also on the rise. Thus, a meeting between delegations of Border Guard Services of Moldova and Germany took place on April 5, 2006. It focussed on training assistance of the German Border Guard Service and a permanent exchange of information between both services.

Issues related to communications, information technologies and cooperation in this field in the context of securing the Moldovan-Romanian border were talked at a meeting between delegations of the Border Guard Service of Moldova and the General Border Police Department of Romania. At the same time, we consider that cooperation with the General Department will intensify once the entry of Romania in the E.U. is closer, in order to secure the eastern border of Romania.

At the same time, negotiations on the cooperation protocol between Border Guard Services of Moldova and Hungary have started under the governmental decision # 485 from May 11, 2006.

Given the special role played by the Border Guard Service in combating the illegal migration, cooperation with homologous services from other countries must intensify. As a matter of fact, a delegation of the Border Guard Service participated in the International Conference of Border Services in Siófok, Hungary, in June 2006. The main goal of the conference was to discuss and exchange experience regarding practices and tools of combating the illegal migration.

Continuation of Soderkoping Process

The Lithuanian city of Vilnius hosted on June 15-16 a workshop themed Migrationist Trends in Central and Eastern Europe that Moldova also attended. It focussed on cooperation in the process of combating the illegal migration and facilitation of exchange of experience between competent agencies and specialised NGOs in the context of the Soderkoping Process. The next meeting will take place in Minsk, Belarus, in September.

Monitoring grid 8. Border control

Indicators / fields	Developments in 1st Q-06	Factors of influence	Practical impact of studied developments	Circumstances favouring short and medium-term progress	Short and medium-term risks	Quantification of progress in 1st Q-06	Sources used for assessment
Cooperation with neighbouring countries in border management field	<ul style="list-style-type: none"> Progresses in securing the eastern and western border; 	<ul style="list-style-type: none"> EUBAM, relevant authorities from Ukraine and Moldova; 	<ul style="list-style-type: none"> Significant reduction of illegal trade and general number of offences registered in the Transnistrian section of the eastern border; 	<ul style="list-style-type: none"> Process of registration of resident economic agents from Transnistria in Moldova continues; 	<ul style="list-style-type: none"> Political instability and uncertainty toward future ruling coalition in Ukraine present some risks for commitment of Ukrainian authorities in this process; 	+0.5	European Commission, Ministry of Foreign Affairs and European Integration of Moldova, Parliament of Moldova, Border Guard Service of Moldova, Soderkoping Secretariat (Kiev, Ukraine)
	<ul style="list-style-type: none"> Intensifying cooperation between border agencies in Central and Eastern Europe 	<ul style="list-style-type: none"> Authorities of the states concerned; 	<ul style="list-style-type: none"> Better control of the Moldovan-Romanian border and permanent exchange of information; 				
Modernisation of Border Guard Service	<ul style="list-style-type: none"> Functionaries of the Border Guard Service participate in a series of seminars organised by EUBAM and other interested actors; 	<ul style="list-style-type: none"> EUBAM, Border Guard Services of Moldova and Ukraine, the U.S. Embassy; 	<ul style="list-style-type: none"> Consolidation of a common base of cooperation and promotion of European standards in the field; 	<ul style="list-style-type: none"> Continued rise of participation of EUBAM; 		0	The same except for the Soderkoping Secretariat
	<ul style="list-style-type: none"> Stagnated modification of regulatory framework on modernisation of the Border Guard Service; 	<ul style="list-style-type: none"> Moldovan authorities 	<ul style="list-style-type: none"> Slowing down of the process of modernisation of the Border Guard Service; 	<ul style="list-style-type: none"> Promotion of new regulatory framework; 	<ul style="list-style-type: none"> Continued stagnation of the process; 		

9. COMBATING TRAFFICKING IN HUMAN BEINGS

Evolution of phenomenon

According to the latest report *Trafficking in Persons* by the U.S. Department of State released on June 5, 2006 and delivered to the U.S. Congress, Moldova is a major source country for trafficking in human beings.⁷ Moldova also serves as a transit country to European destinations for victims trafficked from other former Soviet states. The victims are increasingly trafficked to Turkey, Israel, the United Arab Emirates, Russia and even the Baltic Countries. The trafficking in persons is not only a problem for the origin country, but also for the destination country⁸. Most of victims have been forced to practice prostitution. Their work is mainly exploited in building sector and agriculture. According to findings of the latest study by the international centre La Strada, girls from poor families, uneducated and jobless are the social base of trafficking in human beings in Moldova.⁹ Poverty, unemployment and lack of qualified professionals and perspective to find jobs are the decisive factors that make youths leave for abroad and accept offers of traffickers. The domestic violence is another factor for victims.

Offers of traffickers are attractive because possibilities of legal employment abroad do not exist in Moldova due to a surplus of labour force, so that most of migrants from Moldova work illegally in other countries. The limits of age of trafficking in persons extend every year. If victims of trafficking were persons aged 18-25 years old a couple of years ago, now the victims are persons who have turned 25 and children (under 18). Methods of recruitment and transportation of victims to other countries and methods of exploiting them are very various. The number of cases of recruitment via Internet and false matrimonial offers is on the rise. Centres¹⁰ in charge with recording and preventing the trafficking in human beings registered information and cases of internal trafficking in Moldova in the 2nd quarter of 2006. They are registered among poor people, especially from rural areas, when they are taken for exploitation in the main urban centres – Chisinau and Balti. Also, there were many cases when employees or directors of tourism agencies from Moldova¹¹ were involved in trafficking in human beings.

Coordination of actions

We could outline that an improvement (though modest) of coordination of actions against trafficking in persons was observed in the 2nd quarter of 2006. The state's efforts focussed mostly on creating the 10th legislative base against trafficking in human beings and measures of repression taken by law enforcements. Thus, we can ascertain that Moldova has signed and ratified all key international acts against trafficking in human beings. Although the main economic factors in country (poverty and unemployment) which produce the „offer of living goods” continue to have a negative influence on situation, the measures of combat taken by Parliament and Government with the active participation of civil society and international community have stopped the extension of the phenomenon and the worsening of situation.

Moldovan NGOs, international intergovernmental organisations, as well as organisations and governments of states with developed democracies have supported and support a series of fields of organisation of anti-trafficking struggle such as prevention of this phenomenon, assistance and protection of victims. On the other hand, these organisations are unsatisfied that the state does not allocate funds from the budget to support these directions of combat of trafficking in persons. In addition, it is very hard in Moldova to establish the size of this phenomenon, firstly because of the latent nature of the problem and secondly because the country lacks a single information collection system. Every participant in the struggle collects data after own algorithm, identifies it alone, and this fact leads to an incompatibility of data at national level.

Prevention of trafficking in human beings and assistance for victims

NGOs and intergovernmental organisations in Moldova continued to hold actions aimed to prevent the trafficking in persons and to assist victims of this phenomenon in the 2nd quarter of 2006. Activities held in this direction may be divided into two groups: a.) awareness and education; b.) reduction of vulnerability. Information campaigns for risk groups (schoolchildren, students, graduates from boarding schools and orphanages, etc.), journalists and public authorities were held to prevent and combat the trafficking in human beings. Documentaries and artistic movies about trafficking in human beings are used for lessons and seminars, and articles on this problem are

⁷ U.S. Department of State, „Trafficking in Persons” Report, 2006, part VI Country narratives. Can be download from the internet: www.state.gov/g/tip.

⁸ La Strada Centre says that Turkish women demand the deportation of female Moldovans from territory of their country because they lure married men and destroy families. Employees of the Hotline from Turkey receive many calls from Turkish women who are dissatisfied that bars, coffee houses and even lycees are full of libertine women from other countries including Moldova. According to employees of the Hotline, such calls are registered from Turkish men, too.

⁹ „Trafficking in persons in Moldova. Commentaresi, trends, recommendations”. International Centre for the Protection and Promotion of Women's Rights La Strada, Chisinau, 2005, pag. 49.

¹⁰ International Centre La Strada and the Centre for the Combat of Trafficking in Persons of the Interior Ministry

¹¹ For details, see the interview with Petru Plop, director of the Centre for the Combat of Trafficking in Persons of the Interior Ministry published by BASA-press news agency on June 13, 2006

published in newspapers and magazines. Hotlines of NGOs are actively involved in campaigns aimed to inform the population. Many specialised organisations¹² continued their programmes aimed to reduce the vulnerability toward trafficking in human beings in the period concerned. The campaigns targeted at main risk groups, in particular, girls and women from difficult and poor families who come from villages.

According to data of the specialised asylum for victims of trafficking in human beings, about 20 victims of traffickers in persons (mostly women) sought the assistance of the asylum in the 2nd quarter. The asylum is maintained from means of the IOM Mission to Moldova and UNICEF. Victims of trafficking receive the necessary medical assistance for free. They hold the right to stay maximum three months at the asylum for recovery. A network is being developed to assist victims at home. Three asylums have recently opened with the support of UNDP and another five will be created soon. In addition, the Centre for the Prevention of Trafficking in Women assists victims of trafficking in human beings to restore their lost identity acts, offers legal consulting in family problems, gives them dwelling place, and others. Also, the IOM Mission in partnership with the Ministry of Foreign Affairs and European Integration, with the support of the Norwegian Embassy organised the first training course of consular officials of Diplomatic Missions of Moldova, which focussed on assistance of victims of trafficking in human beings.

Combating the phenomenon

Law enforcements have discovered and annihilated both persons and groups of persons involved in trafficking in human beings in the period concerned. They have also filed penal cases and started investigations against direct participants in trafficking in persons. Also, the police jointly with officers of the Romanian Service Against Organised Crime and the border police (from counties near the border with Hungary) have annihilated two networks of traffickers in migrants made up of Romanian and Moldovan nationals. The combat of trafficking in persons was the topic of national and international conferences held in the period concerned, and one of them took place in Chisinau in late June. The international conference themed Border Security and Control focussed on dangers and provocations of transborder trafficking, methods of combating this phenomenon.

A report by the Supreme Court of Justice of Moldova on findings of a generalisation of legal practice regarding cases of trafficking in human beings, trafficking in children, smuggling of children from Moldova and pimping was published in May 2006. The Supreme Court of Justice has studied the practice of applying the legislation in these cases, examined by law courts in 2004-2005, and it indicated a relative improvement of the struggle against trafficking in human beings. Thus, we may ascertain that some law courts have adequately examined the cases from this category of offences despite difficulties at the stage of proving these crimes. There were cases when victims received non-pecuniary damages of up to 10,000 lei each. At the same time, there were many faults and violations related to examination of such cases. Law courts admitted:

- groundless acquittal of persons who committed trafficking in human beings;
- examination of cases at public sessions, in spite of the need to protect the private life of the victim in such cases;
- wrong acquittal of defendants because victims have voluntarily accepted the exaltation, and this does not influence the qualification of offence as trafficking in human beings;
- wrong re-qualification of the case with further suspension of punishment through amnesty;
- wrong qualification of recruitment as attempt of offence, though the recruitment is a finished offence of trafficking in persons.

According to the Supreme Court of Justice of Moldova, „the insufficient knowledge of legislation by judges, poor legal practice and the lack of explanations for some problems regarding the implementation of this legislation are the main causes of these violations.” On the other hand, the U.S. Department of State says that faults of examination of penal cases on trafficking in persons are rather linked to the corruption in judicial system.¹³ There are many cases of corruption among representatives of law enforcements.

¹² “Winrock International”, a U.S. nongovernmental organisation; the International Centre for the Protection and Promotion of Women’s Rights La Strada (Moldova); the Centre for the Prevention of Trafficking in Women, etc.

¹³ U.S. Department of State, “Trafficking in Persons” Report, 2006, part VI Country narratives. Can be download from the internet: www.state.gov/g/tip.

Monitoring grid 9. Combat of trafficking in human beings

Indicators	Factors of influence	Developments in the 2n Q-06	Practical impact on studied developments	Circumstances favouring the progress	Barriers on way of progress	Quantification of progress in 2 nd Q -06	Sources used for assessment
Evolution of trafficking in human beings	<ul style="list-style-type: none"> Socio-economic condition (poverty, unemployment, lack of job opportunities, etc.) 	<ul style="list-style-type: none"> Many trends of worsening of situation were registered 	<ul style="list-style-type: none"> Illegal migration inflow – substratum of trafficking in human beings – is on the rise; According to data of BNM*, the number of illegal migrants has grown up to 400,000 persons. 	<ul style="list-style-type: none"> Irresponsibility of decision-making factors 	<ul style="list-style-type: none"> Higher prices of first-need products, lack of sources for living, lack of well-paid jobs, and others 	0	<ul style="list-style-type: none"> International Centre La Strada Centre for the Combat of Trafficking in Persons of the Interior Ministry
	<ul style="list-style-type: none"> Domestic violence 	<ul style="list-style-type: none"> It is at a pretty high level 	<ul style="list-style-type: none"> This leads to a higher number of victims of trafficking in human beings 	<ul style="list-style-type: none"> Poverty, unemployment, etc. 	<ul style="list-style-type: none"> Domestic violence seems to take the shape of a traditional behaviour 		
	<ul style="list-style-type: none"> Persistence of corruption 	<ul style="list-style-type: none"> It remains at a pretty high level (U.S. Department of State, “Trafficking in Persons” Report, 2006, part VI Country narratives. Moldova). 	<ul style="list-style-type: none"> It leads to intensification of offences related to trafficking in human beings 	<ul style="list-style-type: none"> Some anti-corruption programmes were implemented om the 1st quarter of 2006 	<ul style="list-style-type: none"> Corruption is present in almost all fields of public life 		
Legislative framework	<ul style="list-style-type: none"> Ratification of international acts in the field 	<ul style="list-style-type: none"> The Moldovan Parliament ratified the Council of Europe’s Convention against Trafficking in Human Beings on March 30, 2006. 	<ul style="list-style-type: none"> Framework of international cooperation in the field has improved 	<ul style="list-style-type: none"> Efforts of Moldova to join the E.U. 	<ul style="list-style-type: none"> Still limited interest of national authorities regarding trafficking in human beings 	1.5	<ul style="list-style-type: none"> International Centre La Strada Centre for the Combat of Trafficking in Persons of the Interior Ministry
	<ul style="list-style-type: none"> Elaboration and adoption of national legislative norms in the field 	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> It’s a short period to assess the progress 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 		
	<ul style="list-style-type: none"> Existence of the National Action Plan Against Trafficking in Human Beings 	<ul style="list-style-type: none"> Progresses in activity of specialised structures were observed 	<ul style="list-style-type: none"> Government took over responsibility for struggle against trafficking in human beings 	<ul style="list-style-type: none"> Efforts of Moldova to join the E.U.-Moldova Action Plan Against Trafficking in Human Beings 	<ul style="list-style-type: none"> Lack of budgetary sources 		
	<ul style="list-style-type: none"> Adoption of regulations needed for a good functioning of legislation in the field 	<ul style="list-style-type: none"> The Ministry of Health and Social Protection worked out the first draft regulation of the centre for the assistance and protection of victims of trafficking in persons 	<ul style="list-style-type: none"> Process of placement of victims of trafficking in persons in asylum, ensuring of access to assistance and protection for victims, and others 	<ul style="list-style-type: none"> Efforts of Moldova to join the E.U.-Moldova Action Plan Against Trafficking in Human Beings 	<ul style="list-style-type: none"> Lack of coordination of activities in this regard 		
Coordination of actions	<ul style="list-style-type: none"> Coordination at national level 	<ul style="list-style-type: none"> Modest developments 	<ul style="list-style-type: none"> However, public opinion was more informed via radio and TV 	<ul style="list-style-type: none"> Society is more receptive to trafficking in human beings 	<ul style="list-style-type: none"> Lack of paid personnel in the National Committee Secretariat 	0	<ul style="list-style-type: none"> International Centre La Strada
	<ul style="list-style-type: none"> Coordination at local level 	<ul style="list-style-type: none"> Modest evolution 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Population from region is more inert 	<ul style="list-style-type: none"> District commissions for the combat of trafficking in human beings do not function 		
	<ul style="list-style-type: none"> Coordination of current problems 	<ul style="list-style-type: none"> Modest evolution 	<ul style="list-style-type: none"> Record of trafficking in human beings is difficult without coordination 	<ul style="list-style-type: none"> Absence of a single record system 	<ul style="list-style-type: none"> A cooperation system (regulation) does not exist 		
Prevention	<ul style="list-style-type: none"> Awareness and education 	<ul style="list-style-type: none"> Unchanged 	<ul style="list-style-type: none"> Many people are careless over this phenomenon 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> It did not become permanent 		<ul style="list-style-type: none"> International Centre La

	<ul style="list-style-type: none"> Reduction of vulnerability 	<ul style="list-style-type: none"> Parliament adopted the law on equal chances for women and men on February 9, 2006 	<ul style="list-style-type: none"> The law aims to eliminate sexual discrimination 	<ul style="list-style-type: none"> Implementation of law will allow the elimination of a factor that favours the extension of trafficking in human beings in future 	<ul style="list-style-type: none"> Still modest mediation 	0	<ul style="list-style-type: none"> Strada
Assistance and protection of victims and witnesses	<ul style="list-style-type: none"> Identification of victims of trafficking in human beings 	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> Absence of a single record system 	<ul style="list-style-type: none"> Lack of coordination 	<ul style="list-style-type: none"> Lack of clear recommendations 	0	<ul style="list-style-type: none"> International Centre La Strada; Centre for the Combat of Trafficking in Persons of the Interior Ministry
	<ul style="list-style-type: none"> Granting of package of services 	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Limited sources do not allow solutions to all problems 		
	<ul style="list-style-type: none"> Protection of witnesses 	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Limited sources do not allow solutions to all problems 		
	<ul style="list-style-type: none"> Reintegration 	<ul style="list-style-type: none"> No changes 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Repulsion of relatives 	<ul style="list-style-type: none"> Lack of long-term programmes on reintegration 		
Investigation and trying of traffickers	<ul style="list-style-type: none"> Penal investigation of offenders 	<ul style="list-style-type: none"> Many groups of persons involved in trafficking in human beings were annihilated 	<ul style="list-style-type: none"> Mass media was more receptive mediating the phenomenon 	<ul style="list-style-type: none"> Still low operativeness of law enforcement bodies 	<ul style="list-style-type: none"> Fluctuation of police staff 	1	<ul style="list-style-type: none"> International Centre La Strada
	<ul style="list-style-type: none"> Development of international cooperation 	<ul style="list-style-type: none"> The Interior Ministry worked out a draft agreement of cooperation with EAU 	<ul style="list-style-type: none"> Resolution of problems related to repatriation of victims of trafficking in persons from the United Arab Emirates 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Bureaucratic barriers in EAU 		
Information management and researches	<ul style="list-style-type: none"> Existence of data on this problem 	<ul style="list-style-type: none"> Unchanged 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Lack of an integrated data collection system 	<ul style="list-style-type: none"> Inexistence of a system for collection of data and evaluation of situation 	0	<ul style="list-style-type: none"> International Centre La Strada
	<ul style="list-style-type: none"> Existence of data on implemented measures 	<ul style="list-style-type: none"> Unchanged 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Data not collected 		
Cooperation between governmental and nongovernmental structures	<ul style="list-style-type: none"> Signing of cooperation agreements between NGOs and state structures 	<ul style="list-style-type: none"> Unchanged 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Insufficient development of NGOs. Lack of cooperation traditions 	0	<ul style="list-style-type: none"> International Centre La Strada; Centre for the Combat of Trafficking in Persons of the Interior Ministry
	<ul style="list-style-type: none"> Cooperation in the field of practical activities 	<ul style="list-style-type: none"> NGOs are invited more often to cooperate 	<ul style="list-style-type: none"> Victims of trafficking in persons are more receptive in cooperation with police 	<ul style="list-style-type: none"> The Moldovan legislature approved the concept on cooperation between Parliament and civil society on December 29, 2005 	<ul style="list-style-type: none"> Divergences regarding goals of activities of NGOs and police bodies 		
Mobilisation of resources	<ul style="list-style-type: none"> Mobilisation of resources 	<ul style="list-style-type: none"> Resources from state budget are not allocated to prevent the trafficking in human beings and to assist victims of trafficking 	<ul style="list-style-type: none"> As a result, the state is less interested in trafficking in human beings 	<ul style="list-style-type: none"> Low pecuniary and financial assistance 	<ul style="list-style-type: none"> Lack of budgetary sources 	- 1	<ul style="list-style-type: none"> International Centre La Strada

10. MIGRATION MANAGEMENT

Evaluation and monitoring of migration

The progress in this field was mostly delayed by institutional suspension related to the closure of the National Bureau for Migration. The bureau was closed in compliance with the Law # 25-XVI from 16 February, 2006, but no official act regulated the transmission of its functions to another institution. Thus, the implementation of many actions stipulated by the E.U.-Moldova Action Plan and of other projects on cooperation with relevant international organisations was actually frozen.

And the situation in this sector was somehow clarified on May 17, 2006, under the governmental decision # 529. Thus, the Ministry of Economy and Trade and the Interior Ministry took over the competences of the former National Bureau for Migration, and a new structure should be approved in late June (but this did not happen). It is very important that positive experiences and practices of the former bureau be not neglected and forgotten in the process of institutional perturbations. It is important to keep the capacity of general coordination of migration-related activities in parallel with delegation of migration management functions to ministries. In this context, a Consultative Committee is expected to be created as an informal interdepartmental forum for coordination of activities, including the monitoring of the Action Plan. Actions in this regard have been postponed till August-September because of institutional transformations and the Interior Ministry and the Ministry of Economy and Trade will take over the competences meanwhile.

The study "Migration and Remittances. Moldova 2006" that the IOM will work out with the support of Asdi/AIDS will also contribute to quality of monitoring of migrationist processes. The study will focus on assessment of migrationist trends and inflows and remittances.

Adjustment of national legislation to European legislation

The project „Capacity Building for Developing Migration Management Procedures and Migration Policies in the Republic of Moldova” supported by Asdi/AIDS and implemented by IOM in cooperation with the Moldovan Government includes a component regarding evaluation of current legislative framework and its adjustment to European and international standards. The activity in this field will restart after completion of structural transformations related to closure of the National Bureau for Migration.

In addition, the adjustment of legislation on the following fields will require a priority approach in the near future: visa/travel policies, residence (entrance/leave/stay), simplification of employment regime for persons from third countries, reunification of families, detention/expulsion/deportation/extradition, and readmission.

Adequate migration management

Developments in the field of professional education in specialised services are suspended including due to reorganisation of the National Bureau for Migration.

At the same time, it should be mentioned that the project „Strengthening Migration Management in the Republics of Belarus and Moldova (MIGRABEL - MIGRAMOL)” financed by E.U. and the Finnish Government and implemented by IOM in partnership with the Interior Ministry was launched in June 2006. The project aims to strengthen the capacities of the Moldovan Government in managing the inflows of emigrants and the control on move of emigrants in and through Moldovan territory. The project calls among others for rehabilitation and modernisation of the centre for detained emigrants.

National action plan on migration policy and asylum

The adjusted National Action Plan on Migration and Asylum was adopted through the Government Decision # 448 from April 27, 2006 and taken over by the Interior Ministry and the Ministry of Economy and Trade for implementation and its verification by Deputy Prime Minister Valerian Cristea.

However, the actions for the implementation of the plan have been late because of the closure of the National Bureau for Migration.

Visa policies

Moldova abolished the visa regime for citizens of the E.U. member states, the United States, Canada, the Swiss Confederation and Japan in line with the Law # 151-XVI from June 8, 2006. According to Moldovan authorities, this decision will encourage the process of European integration of Moldova. At the same time, the authorities hope that this step will ease the dialogue with the European Commission regarding the facilitation of visa regime for Moldovan citizens. The Brussels authorities saluted the decision of the Chisinau Parliament, but actions of reciprocity (facilitation of visa regime) are late: the issue is expected to be tackled at several rounds of meetings between experts of the European Commission and Moldova.

Monitoring grid 10. Migration management

Indicators	Factors of influence	Developments in 2nd Q-06	Practical impact of studied developments	Circumstances favouring progress	Barriers on way of progress	Quantification of progress in 1st Q-06	Sources used for assessment
Migration monitoring, assessment and management	<ul style="list-style-type: none"> Delayed delegation of competences of the National Bureau for Migration between the Ministry of Economy and Trade and the Interior Ministry; 	<ul style="list-style-type: none"> “Special” institutional interests of Government; 	<ul style="list-style-type: none"> Uncertainty in the process of cooperation in the field of migration and asylum; 	<ul style="list-style-type: none"> Definitive clearing up of structural changes after closure of the National Bureau for Migration and takeover of its competences by the Ministry of Economy and Trade and the Interior Ministry 	Delayed efforts of monitoring and efficient assessment of migration;	-1	European Commission, Moldovan Parliament, Ministry of Foreign Affairs and European Integration, IOM, Winrock
	<ul style="list-style-type: none"> Participation of Moldova in AE-NEAS Programme; 	<ul style="list-style-type: none"> Moldovan authorities, European Commission; 	<ul style="list-style-type: none"> Strengthening of capacities in implementing the policies on migration and asylum; 	<ul style="list-style-type: none"> Active interest of the European Commission and various actors from Moldova; 			
Adjustment of legislation on migration to E.U. norms	<ul style="list-style-type: none"> Delayed delegation of competences of the National Bureau for Migration between the Ministry of Economy and Trade and the Interior Ministry; 	<ul style="list-style-type: none"> “Special” institutional interests of Government; 	<ul style="list-style-type: none"> Slowing down of implementation of the Project „Capacity Building for Developing Migration Management Procedures and Migration Policies in the Republic of Moldova” 	<ul style="list-style-type: none"> Definitive clearing up of structural changes after closure of the National Bureau for Migration and takeover of its competences by the Ministry of Economy and Trade and the Interior Ministry 		0	The same, except for IOM and Winrock
	<ul style="list-style-type: none"> Lack of progress regarding signing of readmission agreements with E.U.; 	<ul style="list-style-type: none"> Moldovan authorities and states concerned; 	<ul style="list-style-type: none"> Lack of progress in management of migration in E.U. member states; 	<ul style="list-style-type: none"> The same 			

ABOUT PROJECT AND ORGANISATIONS

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

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

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

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

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

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