



# Towards a People's Partnership in the ENP

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# MOLDOVA

By National AGROinform Federation, Moldova

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This report is one of a series that resulted from an initiative entitled *Towards a Peoples Partnership in the ENP* which aimed to increase the awareness and capacity of civil society within the European Union and countries covered by the European Neighbourhood Policy (ENP) to engage effectively in the cooperation between the EU and its neighbouring countries. The countries involved in this project were Egypt, Georgia, Moldova, Morocco, the Occupied Palestinian Territories, and Ukraine. A report has been produced for each of the six countries on the results of the civil society workshop held in that country. In addition a synthesis report has also been produced. This initiative was developed and implemented through the collaboration of a number of organisations:

**Eurostep - European Solidarity Towards Equal Participation of People**, a network of autonomous European non-governmental development organisations which provided overall coordination of the joint activities.

**Aprodev**, the association of World Council of Churches related development organisations in Europe provided support for the initiative.

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**Women's Perspectives**, a Ukrainian non-governmental organisation that supports women's initiatives, coordinated the activities in Ukraine.

**AGROInform**, the national network of non-governmental organisations in Moldova that supports private agricultural producers, coordinated activities in Moldova.

**Green Alternative**, a Georgian non-governmental organisation focusing on environmental and sustainable development, coordinated activities in Georgia.

**Palestinian Non-governmental Organisations' Network**, which seeks to develop and strengthen Palestinian civil society coordinated activities in the Occupied Palestinian Territories.

**Development Support Centre for Consultancy and Training** which provides support and assistance to Egyptian NGOs coordinated the activities in Egypt.

**Forum des Alternatives Maroc**, a Moroccan association that promotes economic, civil, political, social and cultural rights of groups and individuals coordinated the activities in Morocco.

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## EXECUTIVE SUMMARY

The processes that have occurred over the last few years emphasises the irreversible tendency of the strategic policy towards European integration. However, the European Commission has clearly and equivocally indicated that the Republic of Moldova has no chance of becoming a full member of the European Union in the foreseeable future. In spite of this, the authorities, with the increasing support of civil society, have continued with the adoption of European standards in many areas and have initiated reforms to support this process. In that context, the European Union established new mechanisms to encourage and sustain its closest neighbouring countries in their pursuit of democratic reforms and the transformation of their economic regulatory frameworks in accordance with the requirements of a market economy. Through the European Neighbourhood Policy (ENP) and European Neighbourhood and Partnership Instrument (ENPI), established in 2004, the European Union is seeking to promote convergence of the regulatory frameworks of its neighbouring countries with its own systems.

Although Moldova's overall strategic priority to integrate with the rest of Europe was launched about ten years ago, the concrete manifestation of this objective only started to become visible recently. Among the most important of these agreements are those between the EU and Moldova on facilitating a visas regime and readmission, signed on 17 October 2007 and the asymmetric trade regime, offered by the European Commission to Moldova starting on 1 March 2008. Another achievement is the initial setting up, and subsequent prolongation, of the EUBAM Mission<sup>1</sup> to the end of 2009 for monitoring the Moldovan - Ukrainian border, particularly the Transnistrian segment, and the opening of the Visas Common Centre in Chisinau

There is a need to recognize that some modest results can be seen in areas such as combating and preventing corruption, freedom of expression, respect for human rights, independence of the judiciary, and improving the investment climate. However, it is the opinion of many civil society organizations that progress in these areas is more limited than it should be because of political interference.

In that context, the major challenges for the Republic of Moldova continue to be democratic reform and good governance, reforms of the regulatory framework, increasing the capacities of central and local administrations, the promotion of economic growth and poverty reduction, and a definitive settlement of the Transnistrian conflict.

These priorities are supported by the European Union assistance programmes in the context of the ENP and ENPI. For the period 2007-2008, the European Commission's assistance for the Republic of Moldova amounted to € 45 million. An additional € 30 million was provided as technical assistance.

Civil society is becoming more actively involved in the process, developing proposals for increasing the efficiency of the reforms and for monitoring the authorities' commitments to achieving the priorities set out in the EU-Moldova cooperation papers. A set of recommendations was drawn up by the representatives of more than 30 non-governmental organizations, which participated in the workshop "European Neighbourhood Policy (ENP)/ European Neighbourhood Policy Instrument (ENPI) influence on sustainable development of Moldova" held in Moldova on 11-12 June 2008. These recommendations have been developed on the basis of analysis of the

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progress of the ENP implementation, particularly the EU-Moldova Action Plan, the Country Strategy Paper (CSP) for 2007-2013 and the National Indicative Programme (NIP) for 2007-2010. The last two documents, produced within the framework of the ENPI, were developed by the Delegation of the European Commission in Moldova in consultation with the Government. The CSP and NIP define the priorities for the financial and technical assistance of the European Commission for Moldova. It has to be emphasized that civil society was not well informed, consulted or involved in developing these two important documents. A conclusion of the workshop was that the CSP/NIP are far from perfect and need significant improvements.

The procedures established by the European Commission provide for a Mid-Term-Review of these two papers, undertaken from the beginning of 2009. In this context, the NGOs which participated in the workshop "ENP/ENPI influence on sustainable development of Moldova", have put forward a set of recommendations focusing on 3 major aspects: 1) The need for a participatory process and transparency; 2) Making improvements in the CSP 2007-2013; 3) establishing adequate mechanisms and methods for achieving the priorities of the CSP/NIP 2007-2013.

### **1) Participatory process and transparency**

NGOs are capable and sufficiently experienced to be at least consulted in the process of developing public policies, including those that refer to European integration. Moreover, as a result of continuous monitoring by NGOs, the active involvement of the nongovernmental sector in a consultation process will lead to better transparency of governmental activity at all levels. This process would significantly contribute to increasing the quality of policy papers, and respond more effectively to people needs and EU obligations. In order to achieve these objectives, the NGOs' representatives who participated in the workshop agreed on the need to promote the developed recommendations in relations with both Moldovan state authorities and European structures on different levels, including the Delegation of the European Commission in Moldova.

There is an urgent need to establish a permanent dialogue between governmental structures, civil society and the European Union's institutions. In order to be informed about all the processes and respond promptly to the changes, the government should create a public consultation mechanism, which should include civil society actors. This mechanism could include round tables, public debates, thematic workgroups etc, which could function on a technical level, developing proposals (around ministries, regional councils, local authorities) and at decision-making levels (Government, Parliament). Mechanisms for involving civil society in ongoing processes of consultation should be established, in agreement with representatives of civil society, and all information relevant to these consultations should be made publicly available. It should be disseminated through all available instruments, including the media and web sites, and be directly communicated to interested stakeholders in order to ensure transparency and accessibility for all those interested.

As a next step, the Government should involve relevant nongovernmental organizations in the implementation of components of the adopted strategies and plans. The selection of NGOs should be established on the basis of transparent and unbiased criteria.

In turn, civil society should create and strengthen networks, which should include capable and experienced NGOs, for participating in the development and monitoring of the implementation of public policies.

It is also important to establish a permanent dialogue between civil society and the EC Delegation in Moldova. This dialogue should be institutionalized. At the same time, the EC should be more firm in monitoring the government's actions, in order to have a realistic picture of the implementation. This process also requires a certain extent of innovation, and should not be limited to traditional monitoring methods. The Delegation could draw on the perspectives and analysis of civil society groups, recognizing their knowledge of local situations and local communities.

## **2) CSP 2007-2013 and NIP 2007-2010 improvement**

The Mid-Term-Review of the CSP 2007-2013 and NIP 2007-2010 is an exceptional opportunity to increase the quality of programming and harmonize their implementation with the priority needs of Moldovan society. In this regard, civil society organizations demand the deepening of the contextual analysis of the CSP. The involvement of civil society can contribute to this process. Based on this analysis, the chapters should be revised in connection with the major problems emphasized in chapter 3 of the CSP. Moreover, the mechanism and instruments for implementing adopted priorities need to be clearly determined, as there are visible inconsistencies between the mechanisms presented in the chapter "RM activities' agenda" and those in the chapter "the EC response strategy". In several cases there are no mechanisms identified.

## **3) Adequate mechanisms and methods for implementing the CSP2007-2013 and NIP 2007-2010 priorities**

Civil society is of the opinion that, first of all, it is necessary to eliminate the influence of vested political interests in areas considered as "problematic" for Moldova, such as respect for human rights, independence of the judiciary, autonomy of local public administration, freedom of expression etc. In turn, the EC in Moldova should be more insistent on encouraging the reforms in these areas and even to precondition financial assistance on achieving results in these areas.

Taking into account that many problems of society do not result from lack of an adequate legal framework, but from poor execution of adopted laws, it is suggested that focus should be given to actions which would guarantee the implementation of both adopted papers and final judicial decisions. In order to minimize access to governmental positions of people involved in corrupt practices, civil society recommends modifying the Election Code, to make revenue declarations obligatory not only for election candidates, but also for members of their family.

To ensure sustainable economic growth and poverty reduction, the government should create favourable conditions for attracting investments to rural areas and eliminate barriers for exporting companies by simplifying the procedures for obtaining necessary authorizations. Furthermore, the government should demand from the EU an enlargement of existing quotas for the export of Moldovan products to the European markets. In addition, the government should facilitate the access of international financial institutions to local market so as to contribute to developing a credit market accessible to a higher number of entrepreneurs.

With regard to environmental protection, the major problems are linked to waste management, and to inadequate penalties for causing environmental damage. It is therefore proposed that adjustments are made to national environmental laws and that penalties are set in line with those of European laws. A national programme for waste management should be developed and implemented at community level.

The recommendations on gender equality consist of promoting the principles of gender equality, and including gender aspects in all aspects of policy, strategy and implementation.

## INTRODUCTION

This report was developed as an outcome of the workshop “European Neighbourhood Policy (ENP)/ European Neighbourhood and Partnership Instrument (ENPI) influence on sustainable development of Moldova” which was held in Moldova on June 11-12. The workshop participants represented NGOs from economic, social, environmental, human rights, education, gender sectors, as well as representatives of the government and the European Commission Delegation in Moldova. The workshop’s presentations and discussions analysed the different aspects of Moldovan developments and constraints in the framework of the ENP/ENPI. Additionally, the workshop focused on the involvement of the civil society in the development of the strategic papers and the monitoring of the projects implemented as part of these strategies, including its technical assistance dimension.

The event was organised in the framework of the project entitled “European Union, South Caucasus, East Europe and South Mediterranean – towards people’s partnership”. The project was implemented by Eurostep, a European NGO network based in Brussels, in partnership with Oxfam Novib, Aprodev, Acsur, Womnet and the local NGOs from the countries involved: AGROinform (Moldova), Green Alternatives (Georgia), Development and Consultancy Center (Egypt), Forum Marocain des Alternatives Sud (Morocco), West Ukrainian Centre "Women's Perspectives" (Ukraine).

The aim of the project is to ensure that EU policies towards its neighbouring countries are reflective of people’s aspiration in the region and, specifically, to prepare for civil society inputs into the mid-term evaluation of the assistance provided by the European Commission (EC).

The specific objectives of the project refer to two main aspects:

1. Capacity building: to increase the knowledge of NGOs on the European Neighbourhood Policy and Partnership Instruments, as well as monitoring skills so as to follow implementation of EC assistance in Moldova;
2. Advocacy: to define a set of recommendations from local NGOs that relate to the ECs cooperation within the framework of the ENP/ENPI, and to promote these recommendations towards EU representatives in Brussels, in the country and towards the government

An analysis of the development and implementation of the ENP/ENPI strategic documents can be found in this paper. This analysis is made on the basis of the perspectives, research and understanding of civil society organisations derived from monitoring the instruments and the process for establishing and implementing the EC’s cooperation. This includes drawing on publications and reports of the EC and other stakeholders, as well as on reports, publications, newsletters, articles, etc. of civil society organisations. It also draws on the outcome of the workshop.

## SITUATING MOLDOVA IN THE ENP PROCESS

### 1. Short descriptive introduction ENP/ENPI

Moldova has given a mixed reception to the EU's neighbourhood initiative. On the one hand, Moldova welcomed the EU's intention to develop its relations with neighbouring countries while, on the other, it was disappointed that the new EU Neighbourhood Policy does not consider any perspectives of membership to the European Union for Moldova. The inclusion of Moldova in the same group as countries which do not have any ambition to join the EU was the main reason for this sentiment.

However, the ENP has brought new optimism to Moldova regarding future membership. Although the ENP does not provide any EU accession perspective, Moldovan authorities see this initiative as an alternative way of cooperation with the EU and as "a bridge to a new stage – association and integration into the EU."<sup>2</sup>

### 2. ENP framework and commitments

The ENP framework for Moldova is primarily based on two internal documents:

- The Partnership and Cooperation Agreement (PCA) signed on 28 November 1994 which entered into force on 1 July 1998 for a 10- year initial term;
- The EU-Moldova Action Plan (EUMAP) signed on 22 February 2005 for a 3 year period

Other documents have also contributed to the framework, such as ENP plus, Barcelona process, etc.

The approach of the EUMAP is based on partnership, shared responsibility and differentiation. The EUMAP aims to contribute to the further development of bilateral relations between the EU and Moldova.<sup>3</sup> By signing the three-year EUMAP, the EU invited Moldova to develop tighter political, security, economic and cultural relations, in deeper trans-border cooperation, and to share responsibility for conflict prevention and resolution.

The Action Plan establishes a comprehensive set of priorities in the PCA-covered areas. Seven out of ten priorities refer to the political dimension of the EU-Moldova cooperation process. The progress in accomplishing these priorities will be monitored by bodies established through the PCA and the European Commission.

The EUMAP formulates 80 objectives and 294 actions/measures to be implemented in seven key areas: political dialogue and reforms; cooperation to settle the Transnistrian conflict; social-economic reform and development; trade, market and regulatory reform; cooperation in the judicial sector; transport, energy, telecommunications, environment and research, development and innovation; and people-to-people contacts.

From an analysis of EUMAP it is hard to establish which side shall implement certain objectives and actions/measures stipulated by the EUMAP.<sup>4</sup> Moreover, it is unclear how progress is measured because of the lack of precise references on the

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<sup>2</sup> Gheorghiu, V. (2005), *Moldova on the way to the European Union: Distance covered and next steps to be done*, <http://www.ipp.md/public/biblioteca/83/en/MoldovaWayEU.pdf>;

<sup>3</sup> European Commission (2004), *EU-Moldova Action Plan*, [http://ec.europa.eu/comm/world/enp/pdf/action\\_plans/moldova\\_enp\\_ap\\_final\\_en.pdf](http://ec.europa.eu/comm/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf);

<sup>4</sup> See, for example, the objectives 68, 72-73;

assessment of the implementation, and it is hard to prove that some tasks have been honoured. Equally the quality of implementation is subject to interpretation. Likewise, there are no precise quantitative requirements regarding the specific objectives and actions which are to be implemented, though it is clear that the EUMAP must be implemented within three years.

### **3. Political dimension - analysis of PCA and EUMAP**

By comparing the EUMAP and the PCA at the political level, one observes that these documents share the same rationale and are similar in terms of approach and instruments. However, a series of clear differences can be identified.

The EUMAP stipulates a more complex, specific and operational cooperation process between the parties. The document considers new areas of dialogue such as cooperation for settling the Transnistrian conflict, migration, border management, the fight against organised crime, and police and judicial cooperation. The introduction of a distinct chapter on the Transnistrian settlement process in the EUMAP was important for Moldova. By signing the EUMAP, the EU made a commitment to support this process and to consider possibilities for strengthening its engagement.

The EUMAP has upgraded EU-Moldova dialogue in areas such as prevention and fight against trafficking of human beings, the eradication of torture and inhuman treatment, the fight against terrorism, the proliferation of weapons of mass destruction and the export of illegal weapons. The choice of new areas of cooperation and the upgrading of the dialogue between the parties aims at meeting new imperatives and responds to internal, regional and global threats.

A comparative analysis of the PCA and Association Agreements (AAs) has revealed that the PCA was inspired by the AAs.<sup>5</sup> The similarity of the EUMAP and the AAs is clear, though the Action Plan has nothing in common with EU enlargement. The EUMAP is more similar to the European Strategy for Moldova, which was being drafted before negotiations on EUMAP began and clearly recalls European integration strategies for Central and East European countries that strictly respect the AAs. The conclusion is that the initial development stage of the strategic documents and agreements between Moldova and the EU followed the general framework for EU integration (model of the countries in accession). Later this process has been influenced by the ENP, which brought some inconsistencies to these documents.

The comparative analysis showed that the PCA's goals encompassed the Copenhagen Criteria. In that respect, the correlation between the EUMAP and these criteria is clearer, though they are not cited. It can be noted that seven out of the ten priorities identified in the EUMAP relate to the political aspects of cooperation. Therefore, the EUMAP grants a greater importance to political developments in Moldova than the PCA does.

Unlike the PCA, the EUMAP covers more extensively the issue of human rights. It specifically includes the rights of the child and equal chances for women and men.

The EUMAP does not bring anything new in institutional terms. The same institutions established by the PCA – the Cooperation Council, Cooperation Committee and Parliamentary Cooperation Committee – supervise the implementation of the Action Plan.

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<sup>5</sup> Chirila, V. (2001), *The relation between the Republic of Moldova and the European Union*, [http://www.ipp.md/files/Publicatii/2001/integrarea\\_europeana/Chirila-eng.doc](http://www.ipp.md/files/Publicatii/2001/integrarea_europeana/Chirila-eng.doc);

With regard to the obligations of the parties in relation to the implementation of the strategies identified in the PCA, the PCA formulation is clearer and addresses both parties, while the EUMAP formulation is evasive and tends to address Moldova alone. Another difference is that the implementation of EUMAP was evaluated by the European Commission, which was given responsibility for the assessment of the PCA. It was expected that it would be adapted and updated on the basis of the first progress report of December 2006, and after the first assessment by the European Commission as the revision of the EUMAP was stipulated. However, for unknown reasons, the EC did not reassess the EUMAP.

The EUMAP clearly identifies new partnership prospects given by the ENP. The most important prospects, without repeating the already discussed opportunities, would be:

- The opportunity for a significant level of integration that goes beyond mere cooperation, including the possibility for the progressive participation of Moldova in important aspects of EU policies and programmes;
- Upgrading the intensity of political cooperation
- Greater financial support via the ENPI for implementation of the Action Plan and to ensure cross-border and transnational cooperation between Moldova and the EU;
- Support including technical assistance and twinning in order to reach EU standards and norms, as well as assistance for legislative adjustment via mechanisms such as TAIEX
- Establishing a constructive dialogue in cooperation on issuing visas;
- Opening the European Commission Delegation in Moldova in 2005.

EU high-ranking officials have given emphasis to the new opportunities of EU cooperation within the ENP. Mrs. Benita Ferrero-Waldner (Commissioner for external relations and European Neighbourhood Policy) indicated that she was confident that the ENP is "a substantial offer" for partner countries. She noted that with the ENP the EU provides a wider political integration in the context of which there will be more frequent political dialogue. At a higher level, it will strengthen assistance for a further consolidation of institutions guaranteeing democracy and the rule of law, and a closer cooperation for promoting common foreign policy priorities such as strengthening efficiency of multilateral institutions and combating common security threats.<sup>6</sup>

A simple listing of the new cooperation opportunities opened up by the ENP does not necessarily mean that all of them will be sufficiently explored. However, some of the results already achieved in the implementation process of the Action Plan seem encouraging.

It is clear that the ENP and EUMAP have established new dynamics in the relationships between Moldova and the EU. This has resulted in an extension of cooperation opportunities between the two parties, the specification and detailing of the cooperation process, an updating of the areas of dialogue, and a contribution to a more operational and visible engagement of the EU in Moldova. More elements of conditionality have been added, especially with regard to political dialogue and political reforms, emphasising the necessity for democratic transformation as a prerequisite for further development in other areas of cooperation. The ENP and

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<sup>6</sup> Ferrero-Waldner, B. (2004), *Press Conference to launch first seven Action Plans under the European Neighbourhood Policy*, Speech/04/529, [http://www.europa.eu.int/comm/external\\_relations/news/ferrero/2004/sp04\\_529.htm](http://www.europa.eu.int/comm/external_relations/news/ferrero/2004/sp04_529.htm); (2005) *Europe's Neighbours – Towards Closer Integration*, Speech/05/253, [http://www.europa.eu.int/comm/external\\_relations/news/ferrero/2005/sp05\\_253.htm](http://www.europa.eu.int/comm/external_relations/news/ferrero/2005/sp05_253.htm);

EUMAP have also resulted in Moldova being more receptive, responsive and responsible with regard to European values and standards in a broad spectrum of areas.

#### **4. Economic and social dimension – analysis of the PCA and the EUMAP**

The PCA has not been materialised in intensifying bilateral commercial relations. Moldova's accession to the World Trade Organisation (WTO) in 2001 was a key progress after the PCA was signed. Following the accession to the WTO, which the PCA indicates as a premise for the liberalisation of trade between Moldova and the EU, the envisaged liberalisation was not achieved. This shows the failure of the PCA to stimulate the development of EU-Moldova commercial relations.

Unlike the PCA, the EUMAP established a framework for a faster development of commercial relations between Moldova and the EU. On 1 January 2006, the Generalised System of Preferences (GSP+) substituted the precedent ordinary GSP. Real progress was made in negotiating the EU Autonomous Trade Preferences for Moldova. From this trade perspective the EU offer reflected in EUMAP was quite serious given that it would encourage and support the further integration of Moldova into European economic and social structures. The 3-year initial term for the implementation of the EUMAP (compared with 5 years for other countries) signalled significant EU expectations of Moldova.

#### **5. ENP progress**

##### **5.1 Progress assessment by Moldovan civil society**

The monitoring of the EUMAP implementation has revealed a series of important findings regarding accomplishments and obstacles. However, it was impossible to formulate clear recommendations for the further evolution of European approaches towards Moldova. The internal and external criteria established by the European Commission for monitoring and assessing this implementation have been rather general. Civil society has not been involved in this process.

The external and internal reasons for the limited impact of European policies to strengthen the Moldovan society are well-known. The implicit EU messages regarding the assessment of progresses in implementing the EUMAP have been quite eloquent. No exceptional analytical skills are required to interpret messages such as: *"the implementation level of the EUMAP is the one felt by common citizens of Moldova"*, *"before invoking the need of new documents to sanction Moldova's relations with the EU, it should be realised that self-perfection within the EUMAP is limitless"*, *"the Republic of Moldova has achieved important progress in all areas, except for the independence of the judiciary, freedom of the media, respect for human rights, anti-corruption fight, and attractive investment climate"*, *"Moldova adopts good laws, but it has a poor enforcement record,"*<sup>7</sup> etc.

The conclusions drawn from such assessments are that the Republic of Moldova has very weak administrative capacity. The only alternative conclusions would be that it is the result of political unwillingness and low capability to appropriately implement good laws or, the process is driven by interest which does not seek to implement the

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<sup>7</sup> Statements of the participants of the workshop "European Neighbourhood Policy (ENP)/ European Neighbourhood Policy Instruments (ENPI) influence on sustainable development of Moldova" held in Moldova on June 11-12

declared pro-European policies. Remarks by European dignitaries and the findings of monitoring reports, which signal the influence of the political factor on the judiciary and administration, control and manipulation of the media, obstruction of fair elections tend to substantiate these conclusions. In order to remedy the shortcomings in these areas, the government needs to counter the influence of counter interests. The overall conclusion regarding the engagement of the government in implementing the ENP is that, ultimately, maintaining power is more important than the general objective of bringing Moldova closer to EU standards.

In spite of these problems, the implementation of the EUMAP has still offered numerous opportunities for public engagement. In this respect, an opportunity was linked to ways of cooperation between public institutions and civil organisations, revealing that this kind of cooperation may develop in Moldova because of the pressure of commitments toward European partners. In spite of many difficulties, the Parliament and the Ministry of Foreign Affairs and European Integration have been increasingly open to cooperation with civil society. This has challenged civil society which has weak capacity to effectively engage in the process, largely due to a lack of experience in policy activity. The preference of civil society organisations has been to be "watchdogs" rather than becoming an equal and competent partner.

The implementation of the EUMAP suggests a clear effort to modernise Moldova. Regardless of the assessment on EUMAP implementation, it is a positive but insufficient effort. Under these conditions, the Moldovan government, which signed the "*declaration on political partnership for the implementation of the European integration objectives*", should continue reforming and modernising the society in order to reach EU standards. The discrepancy between the standards found in the current "modernised" Moldova and the minimum EU standards to which Moldova is committed requires the Moldovan government to focus on addressing the pressing need to meet these commitments, rather than on doctrinaire subtleties.

Given the slow pace of political reforms, particularly emphasized by the 2007 local elections and before the campaign for the 2009 parliamentary elections, there is little reason for optimism about future progress, not least in "sensible" sectors covered by the EUMAP, such as freedom of the media in general, and independence of the judiciary in particular. For these areas, the central authorities use a "small step tactic", although new legislative elaborations and formal procedures would be a better approach. Great progress in these sectors is unlikely as the liberalisation of reforms in these fields is seen as a factor capable of undermining governance.

The role of remittances in sustaining economic growth is substantial, despite the difficulties they entail for domestic exporters: the risk of using them mainly for consumption, the incapacity of domestic companies to cover the internal demand, the growth of trade deficit and appreciation of national currency.

The adopted National Development Strategy was a continuation of the EGPRSP (Economic Growth and Poverty Reduction Strategy Paper) as well as being an unprecedented effort to provide an integrated vision on Moldova's development. This strategy must provide the platform for guiding the joint efforts by local and international players.

Despite the objectives of the different strategies and plans poverty reduction has not progressed. Although real levels of salaries have risen by about 32 percent over the period 2005-2007, poverty levels have stagnated or risen in rural areas because of the low input of agriculture and limited opportunities to get employed in non-agricultural sectors. The authorities have failed to increase school enrolment as well as to reduce poverty among children. Social reforms have not been based on rigorous

financial planning, which resulted in only 30-50 percent of planned actions being realised.

## **5.2 Progress assessment by the European Commission**

On 3 April 2008, the European Commission published the second country progress report on the implementation of the Action Plan. According to the report, Moldova has made progress in all domains previewed by the EU-Moldova Action Plan. The most important achievements were listed as follows:

- The improvement of the institutional framework,
- The introduction of the procedures on control and certification of origin for exported goods,
- The signing of the agreements on the autonomous preferential agreement and on visa facilitation and readmission,
- Cooperation with the EU in the Transnistrian conflict settlement process and on foreign policy issues,
- Cooperation within the EU Border Assistance Mission (EUBAM),
- Progress in reforming the health system,
- Progress in reforming competition policy by creating the National Agency for Competition Protection (qualified as a "good progress").

At the same time, the report identifies a number of deficiencies:

- The poor quality of the judicial system and extended prerogatives of General Prosecutor's Office,
- The use of law enforcement bodies against opposition, mainly the Centre for Combating Corruption and Economic Crimes,
- Inadequate implementation of the legislation on local self-governance,
- insufficient protection of human rights and fundamental freedoms, in particular, the freedom of expression, freedom of religion and freedom from torture, reduced freedom of mass media, especially related to the public audiovisual media,
- Deficient implementation of legislation on labour standards,
- Unsafe business and investment climate.

As the term for the Action Plan implementation has expired and the Partnership and Cooperation Agreement (PCA) between EU and Moldova expired in July 2008, Moldova is seeking a new juridical and political framework with EU. In turn, the EU insists that further agreements with Moldova depend on its capacity to continue the political and economical reforms in compliance with the provisions of the EU-Moldova Action Plan. More specifically, the EU links further progress in bilateral relations with the quality of the electoral campaign for the parliamentary elections in 2009.

Progress in improving foreign trade opportunities has been irregular. Commercial relations with the EU have generally developed in a context of a growing trade deficit. Firstly, the community market has become the main destination of Moldovan exports, with the accession of Romania and Bulgaria to the EU having had an important role. At the same time, compression reduction of trade with the Russian Federation occurred after the latter embargoed Moldovan spirits exports. Secondly, since March 2008, Moldova has enjoyed Autonomous Trade Preferences in its relations with the EU. This became possible by the considerable progress made by Moldova in reforming its customs procedures and establishing controls on the origin of exported commodities. However, there are some shortcomings in the customs sector. Slowest progress was made in the areas of "standards, technical regulations and conformity of evaluation procedures" and in "sanitary and phyto-sanitary standards". Although the

pace of progress in these areas accelerated in late 2007 to early 2008, there remain serious weaknesses.

## ANALYSIS OF THE CSP

In the previous section the focus was put on the political framework of the ENP, the analysis of the PCA and EUMAP as well as on the progress achieved in the implementation of the agreements specified in these documents.

This section focuses on the European Neighbourhood and Partnership Instrument (ENPI), with reference to strategic documents relating to the ENPI e.g. the Country Strategy Paper (CSP) and the National Indicative Programme (NIP). The CSP of the Republic of Moldova was developed by the end of 2006 and covers the period 2007-2013. This document aims to streamline EC assistance to Moldova over this period within the framework of the ENPI. The principal objective of EU-Moldova cooperation at this stage is to develop an increasingly close relationship between the EU and Moldova, going beyond past levels of cooperation; to deepen political cooperation, including in the area of foreign and security policy as well as in the resolution of the Transnistrian conflict; to promote economic growth; and to reduce poverty.

In the National Indicative Program (NIP) for 2007-2010, three strategic categories are highlighted:

- i) democratic development and good governance;
- ii) regulatory reform and administrative capacity building;
- iii) poverty reduction and economic growth.

The main priorities of the CSP include actions that envisage adjustments to the European requirements both on the level of domestic and foreign affairs policy, as well as in relation to the settlement of the Transnistrian problem.

Accordingly, the main objectives of the EC Response Strategy focus on developing and strengthening the current bilateral relations, based on previous achievements. The EU assistance to Moldova is provided for achieving seven essential objectives, listed in the Action Plan:

The CSP and NIP have been developed by the EC Delegation in Moldova in consultation with the government but without any significant involvement of the civil society. These documents, which are the basis for cooperation and for receiving technical assistance from the EU, are almost unknown to civil society and are seen as virtual papers. This fact is recognized by the Moldovan government and the EC Delegation in Moldova, which is why they declare their openness in future communication and consultation with civil society.

The overall conclusion from the workshop states that, in general terms, the national agenda and EC response strategy are in the same line. The main deficiency of the CSP relates to the analysis of the political, economic, social, and environmental situation. The respective analysis is rather superficial, contains some errors and is not correlated with other chapters of the document. As a result, only the priorities of the national agenda and the EC response have a logical link, whereas the implementation tools and mechanisms are inconsistent

## DESCRIPTION OF THE MAIN CHALLENGES

Many positive practices have been launched in Moldova within the context of ENP cooperation and the implementation of the CSP/NIP. Despite the negative analysis provided in this report some good tendencies have been recorded, such as:

- Closer cooperation between Moldova and the EU, especially in political dialogue;
- New partnership prospects have been opened;
- Increased financial support planned via the ENPI;
- The GSP+ system;
- The opening of the Common Visa Centre in Chisinau;
- EU Border Assistance Mission (EUBAM) functioning;
- The signing of a memorandum for macro-finance assistance;
- Better dialogue between the government and civil society, with more opportunities for civil society to be consulted and involved in implementation and monitoring under the pressure of EU-Moldova agreements etc.;

Nevertheless, the participation of the civil society in the ENP/ENPI is very limited. In drafting the EUMAP only a few organisations from Chisinau were involved and consulted. A group of independent experts created the Euroforum<sup>8</sup> in 2006, which was later joined by thirteen representatives of different NGOs. Euroforum is developing studies related to the civil society vision on "European Moldova" and is publishing them on the internet at [www.europa.md](http://www.europa.md). Few Ministries have concluded cooperation agreements with civil society actors. Time will show whether these agreements are successful or whether they only remain declarative documents without any concrete result. In all declarations, governmental officials identify the importance of cooperation with civil society, but, in reality, little time is given to these processes with decisions being taken quickly. Consequently, civil society is not involved. This dilemma will not be solved until clear mechanisms for continuous communication with civil society are created and made operational.

The analysis and assessments of the implementation of the main priorities of the CSP and other programming documents provide a clear picture of the main challenges of the country. These have been repeatedly identified throughout this report and can be summarized as follows:

- The Independence of the judiciary
- The Freedom of the press
- Fighting corruption,
- Respect for human rights
- An enabling environment for business conducive to attracting foreign investment

The weaknesses are well known by the government, Moldovan civil society and European institutions. However, the challenging question that still remains is "what appropriate mechanisms and tools are needed to support the achievement of these priorities?" The CSP does not provide clarity on how the different parties will be involved or what common mechanisms will be used for implementation. In the CSP, the national agenda and the EC response strategy are both too general, and have different visions. On the basis of the different monitoring reports, it can be concluded that the Republic of Moldova has very weak administrative capacity, which results in very slow progress in pursuing all the priorities of the CSP.

## ANALYSIS OF THE SITUATION IN RELATION TO THE CSP

### 1. EC support for Moldova

In 2007 the government of Moldova and the EC signed a memorandum for the provision of budget support. The first instalment of € 20 million was transferred by the EC in December 2007. For 2008 it was foreseen that the EC will provide a further € 25 million in two additional instalments. This budget support will focus on healthcare reform. In addition, the EC provided a further € 30 million in 2008 for technical assistance. The implementation of the actions for which the support is provided, will be monitored by both the government and donors. The decision as to which priorities will be financed through this support is jointly identified by the government and the EC Delegation in Moldova, with final approval being made by the European Commission in Brussels. No information about budget support from the EC to Moldova was provided to the public until July 2008. After the civil society workshop, a public event was organized by the government, in cooperation with the EC delegation, for signing the Financial Agreement for the National Action Plan 2007. Representatives from civil society were invited to participate at this event.

### 2. CSP improvement

Civil society analysis of the CSP underlined the weaknesses of this document. The chapter entitled "Political, economical, social and environment situation" in particular proved to be quite superficial. This mainly sets out the government's opinion, which is very optimistic on crucial issues such as the independence of the judiciary, freedom of the press, combating corruption, respect for human rights, and creating a business environment that encourages foreign investment. Significantly, all of these areas recorded the slowest progress and, from the civil society's point of view, remain the principal challenges facing the country.

The mid-term review of the CSP, to be carried out in 2009, is a great opportunity to undertake a deeper analysis, in which various stakeholders can be involved. Such an analysis will offer enormous support for improving the CSP. The participants of the workshop came with some general recommendations in making the resulting document more consistent:

- All chapters should be reviewed and be interlinked in a coherent manner. In the actual document the content of the chapters only focuses on their headings and does not relate well to the content of previous chapters.
- The chapter "*Report on past and ongoing EC assistance*" should include the lessons learned from successes and failures of the past. The actual paper is stating only the programmes and amounts of financial support of the past and present. This chapter lacks impact assessment, results and lessons learned from past experiences. This should draw on the strict monitoring of EC supported projects as well as on the evaluation of achieved results and impacts. These reports provide valuable conclusions, which can be used to multiply the successful experiences and avoid mistakes.
- The final implementation mechanisms and tools should be made clear. Under each priority, both the Government and the EC provide general visions on how the plans will be implemented. In some cases, they differ substantially or lack content when compared to the national agenda and EC response strategy.
- The CSP does not have a visible connection with the main country document - National Development Strategy, which is well known and developed with a

participatory approach. Since public attention focuses on this document, the value of the CSP is undermined.

## CONCRETE RECOMMENDATIONS ON THE ENP PROCESS

The ENP provides many opportunities for Civil Society involvement in the decision-making process and the implementation of the related action plans. Unfortunately, all parties recognized that this has been applied on a very limited scale in relation to EUMAP and did not happen at all in the drafting of the CSP. Participants of the workshop emphasized the need to focus on broad participation and transparency in future actions through:

- A good dialogue and the continuous exchange of information between all stakeholders is an imperative. A precondition for effective ENP implementation is the cooperation between EU structures, national governmental authorities and all national stakeholders including civil society.
- The Moldovan government must create consulting mechanisms such as public consultations, round tables, specific working groups linked to the ministries involved, etc. The respective methods have to be applied at all levels between central and local authorities and civil society organizations. Furthermore, these mechanisms should be transparent and known by civil society, by placing the information on the websites with proper alerts in advance. The selection of NGO representatives in the working groups has to be done on a competitive basis and by topics, not on ad hoc basis. In addition, it would be appropriate that the government learns and uses the experience of consultation processes from other countries. Additionally, the development of a constructive partnership between government and civil society should involve NGOs in the implementation of the CSP for the provision of services, especially in social sectors.
- Civil society should create networks for strengthening the activity performance in order to increase the impact on governmental structures. Civil society must be more proactive and should not wait for initiatives "from the top". Initiatives can be taken by civil society to get access to information, to turn opportunities into concrete actions, to push the authorities to form consultative structures and to cooperate. There should be initiatives taken to strengthen civil society capacity for communication and cooperation with EU partners. This will help making their activities more visible, and making project results public. Civil society can also be more dynamic in expressing opinions and positions on the visions of civil society on ENP and on disseminating these widely, including via mass media.
- The EC should continuously develop the capacity to assess how seriously political and economic reforms are being pursued or, otherwise the motivation to honour commitments in the Action Plan will remain low and thus undermine a goal supported by the overwhelming majority of Moldovan citizens. This would also be a waste of European taxpayers' money. The EC should be more inventive and realistic in monitoring the actions of the Moldovan government while, at the same time, encouraging authentic reforms. This can be achieved through various mechanisms for establishing regular consultation with Moldovan civil society and by making financial assistance conditional on progress in democratic and judicial reforms.
- The EC should develop a better mechanism for providing small grants to local NGO projects and to support programmes for NGO capacity building.

## CONCRETE POLICY RECOMMENDATIONS: PRIORITY AREAS AND IMPLEMENTATION

Six thematic workgroups were formed by NGOs representatives during the workshop. The groups had the assignment to analyze the current situation by themes and to provide recommendations. The outcomes of the groups are provided below.

### **Governance and democracy**

Inconsistency in reforming and decentralizing the public administration is a main obstacle to democratization and to provide qualitative social services to the public. Another major problem relates to the control and huge influence on mass media by the ruling party. Thus the NGOs request the EC to:

- Evaluate the effects of the implementation of public administration reforms at central and local levels.
- Develop a general concept of the public administration reforms at central and local level following an integrated and systematic approach.
- Eliminate the undue political influence on the Constitutional Court, the National Broadcasting Council and other public institutions, and to strengthen the capacity and independence of these institutions.

### **Social reform**

The main problem of social reforms is the dispersion and the insufficient financing of the coordination of the social policies. In order to eliminate these constraints the government should:

- Assign the responsibility for coordinating state policy in this area to a single governmental body (for ex. Minister of Education and family)
- Encourage public-private partnership by extending fiscal preferences to the economic entities involved in social activities and charity.

### **Economic reform and trade**

A key constraint is the low level of investment in rural areas and limited access to credits due to high interest rates and short term credits. Procedures for obtaining documents needed for exporting goods is also difficult. Taking these issues into consideration, the CSOs suggested that:

- The EC should stimulate investments in rural areas by offering preferential fiscal facilities in comparison to urban areas as well as to subsidize small scale business in alternative sectors of agriculture (agro-tourism, manufacturing, services, textile, etc.);
- The government should facilitate access to the local market for Foreign Commercial Banks in order to enable them to provide accessible credit lines for Small and Medium Enterprises;
- The government should simplify the procedure for issuing quality certificates for local exporters and negotiate larger export quotas to access to the EU markets;
- The government should liberalize prices on merchandises and services.

### **Rule of law, fight against corruption and settlement of the Transistrian conflict**

The findings of the group refer to the fact that the judiciary system is still dependent on the political environment. At the same time, the problem of not executing judicial decisions still persists, due to inadequate capacities, the unwillingness to act and

corruption of the judicial executors. In the context of the fight against corruption, the group came to the conclusion that a framework for protecting persons that denounce corruption is lacking. The focus is exclusively on combating "small scale corruption". Additionally, according to the group's opinion, more "hot lines" were initiated for announcing corruption cases, but they are often inaccessible. The following actions have to be undertaken in order to eliminate those issues:

- The promotion of the independence of the judicial system from the political environment;
- The efficient execution of final verdicts of judges;
- To protect the integrity advertiser (the person who denounces corruption cases) and witnesses, and make "hot lines" more efficient;
- To include in the Election Code the obligation to declare private property, both for candidates and for members of their family;
- To extend the EUBAM Mission to include a final settlement of the Transnistrian conflict;
- To ask the countries-warrants to propose settlement plans based on the state-territory organizations models they went through (ex. as Russian Federation is applying the federation model, they do not see other models for the Transnistrian situation);
- To create a fund for the settlement of the Transnistrian conflict.

### **Energy, environment an research**

The main problem identified by the group is the lack of a single institution which would have the task to implement legislation on environment. In addition, the very small penalties imposed do not encourage respect for legislation that does exist. Therefore, the following is necessary:

- To assign responsibility for the implementation of environment law to a single agency;
- To adjust domestic environment law to those that exists within the EU;
- To complete the waste management programme;
- To develop and implement a concept of waste management in communities.
- To protect biodiversity;
- To make environment related penalties consistent with those of other European countries.

### **Gender aspects**

The main problem is linked to the fact that a large part of the population is not familiar with gender equity principles, despite a complex legal framework being in place. At the same time, decisions taken at national and community levels, which could have an impact on men and women, are not taken into consideration. In order to eliminate these discrepancies the following is necessary:

- To include gender equality in all policy papers and develop mechanisms for their implementation;
- To promote the principles of gender equality.

## CONCLUSIONS

The main conclusions drawn in this report relate to progress achieved in addressing the current challenges facing Moldova in its efforts to pursue reforms as part of the ENP/ENPI, and the opportunities presented in this process. In this context, we strongly believe that, with close cooperation and transparency of all the parties involved, namely the Moldovan government, the EC and civil society - there are good grounds for substantial improvement.

Therefore the conclusions are the following:

- To exploit the Mid-Term Review of the CSP as an efficient tool for improving the content of this strategic paper in accordance with the needs of Moldovan society;
- To involve civil society representatives in developing, implementing and monitoring EU development policies, including building up networks of experienced NGOs;
- To develop a framework and mechanisms for ongoing consultation and engagement of civil society by the Moldovan government and the EC Delegation in Moldova as a compulsory condition;
- To pay more attention to the existing challenges recognised by civil society in relation to ENP/ENPI process;
- To improve the implementation mechanisms and tools of the ENPI and make them more coherent in order to have measurable results;
- To precondition the financial assistance of the EC in connection with achieved results in problematic areas like respect for human rights, judicial independence, the autonomy of local public administration, freedom of expression etc. To stop the unwarranted political interference in these crucial areas is one of the main challenges for the Moldovan government.

**ACRONYMS**

AA	Association Agreement
AP	Action Plan
ATP	Autonomous Trade Preferences
CCCEC	Centre for Combating Corruption and Economic Crimes
CSP	Country Strategy Paper
CSO	Civil Society Organisation
CVC	Common Visa Centre in Chisinau
EC	European Commission
EGPRSP	Economic Growth and Poverty Reduction Strategy Paper
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood Partnership Instrument
EU	European Union
EUBAM	EU Border Assistance Mission
EUMAP	EU-Moldova Action Plan
FTA	Free Trade Agreement
GSP	General System of Preferences
MDGs	Millennium Development Goals
NACP	National Agency for Competition Protection
NATO	North Atlantic Treaty Organisation
NEA	New Enhanced Agreement
NIP	National Indicative Programme
OECD	Organisation for Economic Cooperation and Development
PCA	Partnership and Cooperation Agreement
TAIEX	Technical Assistance and Information Exchange Instrument
WTO	World Trade Agreement