



The European Union's Civil Society
Facility for the Republic of Moldova 2015

Evaluation of the implementation of 20 Deliverables for 2020 Republic of Moldova

A Report produced in the framework of the
EU-funded project "Technical Assistance to
Support CSO Development in the Republic
of Moldova"



This project is funded
by the European Union



A project implemented by
a KMOP led Consortium

Evaluation of the implementation of 20 Deliverables for 2020

Republic of Moldova



Source: <https://www.clingendael.org>

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Foreword

The "20 Deliverables for 2020" document aims to identify concrete tangible results for citizens as delivered by the EaP in the four priority areas agreed in Riga, on the basis of already existing commitments on both EU's and Partner Countries' side. The "20 Deliverables for 2020" document focuses on selected key activities within the EaP and represent a practical tool for a more coherent, efficient and comprehensive implementation of the EaP policy by focusing on concrete benefits. A close link between the "20 Deliverables for 2020" document and the overall European Neighbourhood Policy (ENP) is ensured, as well as with relations between the EU and the Eastern Partners, in particular contractual relations and the Association Agendas and Partnership Priorities. The close linkage between EU assistance and national reform plans will also aim to enhance the efficiency of support and encourage partner countries to undertake reforms.

The structure of the document allows for the 20 key deliverables to act as a work plan guiding the actions in the next phase of the EaP until 2020, supporting delivering under existing commitments, and allowing for an easier monitoring of progress. The document remains a flexible "living" tool which will be regularly reviewed in close cooperation with all stakeholders, in the light of developments and in view of monitoring progress achieved on concrete results in a comprehensive and inclusive way.

The Global Strategy and the revised ENP call for a focus on achieving the overall goal of increasing the stabilisation and resilience of our neighbours. The EaP is based on a shared commitment to international law and fundamental values, including democracy, the rule of law, respect for human rights, fundamental freedoms and gender equality, as well as to market economy, sustainable development and good governance.

Building on these common goals and universal values and with a view to creating conditions for democratic, stable, prosperous and sustainable societies, the EaP Summit in Riga in 2015, followed up by the Ministerial in May 2016, confirmed the consensus to step up actions in the four key priority areas of:

- economic development and market opportunities: to support EaP Partner Countries⁴ move towards diversified and vibrant economies, to create jobs in new sectors, attract investments and foster employability; to support macroeconomic stability; to drive economic transition process forward with a view to create an attractive environment, a level playing-field for investments and business, as well as to improve the capacity of Partner Countries to take advantage of the trade opportunities with the EU and with each other;
- strengthening institutions and good governance: to fight against corruption, to support justice reform and reinforce public administration; to strengthen security cooperation, notably to disrupt organised crime, support conflict resolution, crisis prevention, civil protection against new threats and cybersecurity; these are the preconditions for citizens' trust in the state, long-term stability and an investment-safe climate;

- connectivity, energy efficiency, environment and climate change: to facilitate transport interconnections between EU and the Eastern Partners and within the countries in the region, facilitating economic development, regional economic integration and people's mobility; energy, environment and climate action, to make Partner Countries less exposed to external risks and helping them develop sustainable and low-carbon economies attracting investment, as well as address environmental challenges and promote sustainable development;
- mobility and people-to-people contacts: bring EU and Partner Countries' societies closer together and enhance mobility in a secure and well managed environment; to invest in young people's skills, entrepreneurship and employability, with a particular focus on leadership, mobility and quality of formal and non-formal education; to promote the diversification of professional cross-regional networks; to foster the integration of EaP and EU research and innovation systems and programmes.

This more focused engagement ensures that all actions undertaken in the framework of the EaP pursue the outreach and inclusion of civil society with a tailor-made approach, and foster gender equality and the empowerment of girls and women by following the provisions of the EU Gender Action Plan (GAP II).

Furthermore, major developments are expected in the EU's relations with the Eastern Partners by the next Summit in November 2017:

- Further progress in the implementation of the Association Agreements (AAs)/Deep and Comprehensive Free Trade Areas (DCFTAs) with Ukraine, Georgia and the Republic of Moldova (hereinafter referred to as Moldova);
- New frameworks for EU relations with Armenia, Azerbaijan:
 - o Progress on the finalisation of the new bilateral cooperation agreement with Armenia;
 - o Progress in negotiations for a new bilateral cooperation agreement with Azerbaijan;
- Continued critical engagement with Belarus steered by the newly created EU-Belarus Co-ordination Group;
- Progress on Partnership Priorities/ revised Association Agendas and new Single Support Frameworks / Multi-Annual Indicative Programme in line with the ENP Review.

To maximise impact, a more focused approach is needed to deliver tangible results for citizens under each of the four priorities agreed in Riga. In order for this to be achieved, it is important to ensure the full alignment between policy and its implementation through both bilateral and multilateral frameworks, as well as funding instruments, notably the financing streams of the European Neighbourhood Instrument, and in close coordination with EU Member States, International Financial Institutions (IFIs) and other international organisations and donors. Strategic use is made of TAIEX and Twinning as a catalyst for reforms as well as other vehicles to support the reforms and modernisation processes. Strengthened strategic communication, factored into EU programmes from the start and running in parallel to their implementation, should also support the successful implementation and delivery of results on the ground.

The 3 cross-cutting deliverables are intended to be included in the work of all the Platforms of the EaP architecture.

A vibrant civil society sector is crucial for private sector development, sustainable economic growth, ambitious environmental policies and social innovation. High-quality sector reform dialogue can only be achieved through increased technical expertise and stronger leadership of civil society organisations (CSOs).

Stronger support to women's rights, empowerment and gender balance in the region should allow Partner countries to take full advantage of the economic and social potential within their societies. Particular efforts should be made to address negative gender stereotypes, gender-based violence and pay gaps between men and women among others.

Finally, strategic communication is key in order to effectively communicate the positive impact of EU support across the EaP. A strong EU visibility with comprehensive messages should lead to more understanding of and increased credibility for the EU among citizens across the EaP, as well as better knowledge among EU citizens of the EaP. Additionally, a well-functioning media environment, based on the principle of plurality and independence, are one of the pre-requisites for democratic, stable, prosperous and resilient communities and nations¹.

This report intends to reveal the real status of results achieved during the process of implementation of 20 Deliverables for 2020 adopted at Brussels EaP Summit in 2017 versus the implementation of the Association Agreement signed between the European Union and the Republic of Moldova in 2014.

¹ 20 Deliverables for 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_20_deliverables_for_2020.pdf

Evaluation of 20 Deliverables for 2020

Cross-cutting deliverable 1 on civil society



Source: National Platform of EaP CSF; meeting of the National Platform

Key challenges:

I. Legislation on non-commercial organizations

- Although a new draft Law on non-commercial organizations was elaborated by a mixed working group in 2017 and adopted by Moldovan Parliament at the first reading on 3 May 2018, it has not been adopted at the second reading until the end of November 2019.
- There are enough reasons to believe that the draft law on non-commercial organizations can be altered in Parliament at the second reading, prohibiting political activities and legislative advocacy by the CSOs that receive foreign funds. A similar initiative promoted in 2017 by the minister of Justice at that time was withdrawn after CSOs² and donor community opposed to it. On 3 May 2018 when the draft Law was adopted at the first reading, the Speaker of the Parliament at that time tweeted that *"inappropriate foreign donations aimed to influence the political system in Moldova should be forbidden"*.³ The Activity Program of the current Government led by the Socialist Party, approved on 14 November

² Declaration, The attempt to limit foreign funding of NGOs endangers the functioning of democracy in Moldova and cannot, under any circumstances, be accepted, 11 July 2017, <http://crjm.org/wp-content/uploads/2017/07/2017-07-11-Declaration-MJ-initiative-contrary-to-law.pdf>.

³ Tweet of the Speaker of the Moldovan Parliament, 3 May 2018, <https://twitter.com/AndrianCandu/status/992133673880293376>.

2019, mentioned the "non-admission of the CSOs involvement in political activities"⁴. Amendments done to a draft law in the Parliament at the second reading are not usually made public, making it more difficult for the civil society to intervene.

- According to the current legislation on non-commercial organizations, the Ministry of Justice is entitled to obtain information about all aspects of any CSO's activity and to attend their meetings. Vaguely defined, such legal provisions allow civil servants to attend meetings, access internal organizational documents, even the confidential documents. Even if in practice there were no such cases registered yet, such provisions are not favoring unconditional independence of CSOs.

2. Attacks on independent CSOs

- Independent Moldovan CSOs that opposed to some disputed authorities' initiatives, such as amendment of the electoral system or fiscal amnesty, were under constant attacks from public officials and other entities affiliated with the ruling party, including mass media, bloggers and online trolls during 2016-2018. Several Moldovan CSOs reported the attacks against CSOs undertaken between 2016 and 2018.⁵
- The UN Special Rapporteur on the situation of human rights defenders expressed its concern that Moldovan public authorities had often discredited human rights defenders and their work, while CSOs involved in political rights had been accused of dishonesty, lack of equidistance, and following a foreign agenda not aligned with national interests.⁶
- In 2019, a journalistic investigation revealed that during the governance of the Democratic Party of Moldova (DPM) in 2016-2018, at least 51 journalists, representatives of civil society and members of the opposition had been intercepted and/or audio/video monitored.⁷ The Anticorruption Prosecution announced that it initiated a criminal case on the abusive interceptions at the beginning of September 2019.⁸

3. Implementation of the Civil Society Development Strategy for 2018-2020

- The new Civil Society Development Strategy (CSDS) for 2018-2020 was adopted at the end of March 2018. The State Chancellery did not publish any report on implementation until end of November 2019 and there is no budget support for most of the actions. The previous CSDS for 2012-2015 had a very low rate of implementation - only 27% of actions were implemented.⁹

4. Transparency in decision-making

⁴ Activity Program of the Government led by Mr. Ion Chicu, 14 November 2019,

<http://parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/5577/language/ro-RO/Default.aspx>.

⁵ Radiography of Attacks against non-governmental organizations in the Republic of Moldova between September 2016 – December 2017, <https://crjm.org/wp-content/uploads/2018/03/2016-2017-radiography-NGO-attacks-EN.pdf>; Radiography of Attacks against non-governmental organizations in the Republic of Moldova during 2018, http://crjm.org/wp-content/uploads/2019/03/2019-03-20-timeline-atacks-OSC_2018_final-ENG.pdf.

⁶ Human Rights Council, Report of the Special Rapporteur on the situation of human rights defenders, Visit to the Republic of Moldova, 2019, A/HRC/40/60/Add.3, par. 36-37, <https://undocs.org/A/HRC/40/60/ADD.3>.

⁷ RISE Moldova, The Ministry of Interceptions, 14 June, 2019, <https://www.rise.md/english/the-ministry-of-interceptions/?lang=ru>.

⁸ Anticorruption Prosecution, Press release, 22 November 2019, <http://tiny.cc/dhgvgz>.

⁹ Caraseni Gh., Implementation of the Civil Society Development Strategy 2012-2015, Chişinău, June 2016, <http://fhi360.md/docs/2016/MPSCS%20Raport%20Evaluarea%20SDSC%202012-2015%20Eng.pdf>.

- The legislative process in the Parliament lacks transparency and does not allow for a meaningful public and parliamentary debate on draft legal initiatives.¹⁰ Usually, the amendments introduced at the second reading are not published. The "urgent procedure" is often used without proper reasons.¹¹
- The E-legislation electronic system is provided by the Law No. 100 on Normative Acts. The electronic system has to ensure the transparency of the law-making process and to include all versions of the legislative drafts and additional materials at different stages of elaboration. According to Art. 79 and 80 of the same law, the portal should be applied starting 2019. The system was not available for the public by the end of November 2019.
- In 2018, the Moldovan Government publicly consulted 87% of the developed legislation,¹² and in 2017 - 72.5% of the draft laws and 80.4% draft Government decisions.¹³ Only one ministry (Ministry of Justice) publishes the results of the public consultations and the final draft sent to the Government for approval.

5. Sustainability of CSOs

- CSOs continue to depend on foreign donors for more than 80 percent of their funding.¹⁴
- The 2% mechanism registers positive trends, but it cannot ensure the financial sustainability of the third sector in Moldova. In 2018, the amounts collected doubled compared to 2017 and constituted approx. 5.6 mln MDL (approx. 320,000 USD). There is still significant potential for growth in the 2% mechanism; in 2018, only 2.3 percent of eligible taxpayers exercised this right and redirected only 7.7% of the potential amount.¹⁵
- In 2018, Moldovan CSOs received approx. 2.9 mln USD as state funding. Some of the funding was awarded directly to six CSOs indicated in the Law on State Budget (Association of Blind Persons of Moldova, the Association of Deaf Persons of the Republic of Moldova, the Society of Disabled Persons of the Republic of Moldova, the National Olympic Committee and the National Paralympic Committee). The rest of the funding was distributed through grants. There is no framework mechanism to grant direct state funding to the CSOs, nor a strategic and budgetary planning at both national and local level and a monitoring and evaluation system as regards the implementation of the state-funded projects.¹⁶

¹⁰ GRECO, Compliance report on Republic of Moldova, 7 December 2018, <https://www.coe.int/en/web/greco/-/moldova-should-step-up-efforts-to-combat-corruption-in-respect-of-mps-judges-and-prosecutors-report-by-council-of-europe-anti-corruption-body>.

¹¹ Legal Resources Centre from Moldova, How can we make the decision-making process in the Parliament of the Republic of Moldova more transparent?, October 2018, pages 18-19, <http://crjm.org/wp-content/uploads/2019/03/2018-CRJM-PPD-JudTransp.pdf>.

¹² State Chancellery, 2018 report on the transparency in decision-making, https://cancelaria.gov.md/sites/default/files/raport_transparenta_apc_2018.pdf.

¹³ State Chancellery, 2017 report on the transparency in decision-making, https://cancelaria.gov.md/sites/default/files/document/attachments/raport_td_28_05_2018_.pdf.

¹⁴ USAID, CSOs Sustainability Index, Republic of Moldova, 2017, pag. 146, https://www.usaid.gov/sites/default/files/documents/1866/2017_CS0_Sustainability_Index_for_Central_and_Eastern_Europe_and_Eurasia.pdf.

¹⁵ Legal Resources Centre from Moldova, Two years of implementation of the 2% mechanism in the Republic of Moldova, 2018, http://crjm.org/wp-content/uploads/2019/09/Doi-ani-de-implementare-a-mecanismului-2_web_final_1.pdf.

¹⁶ Association "Institutum Virtutes Civilis", Direct financing of civil society organizations by the state in the Republic of Moldova, 2018, <http://ivcmoldova.org/wp-content/uploads/2018/09/Finantarea-directa-a-OSC-in-RM.pdf>.

- The provisions of the Fiscal Code related to the income tax and VAT applied to the non-commercial organizations are not clear and contradicting. The mechanism for deducting of the donations for philanthropic and sponsorship purposes from the Fiscal Code is too cumbersome and it is not often used into practice.¹⁷

Key recommendations:

- Moldovan Parliament should adopt at the second reading the draft Law on non-commercial organizations in the version registered by the Government, ensuring that the problematic provisions are not repeatedly included in the draft (eg. limiting foreign funding, political activities and legislative advocacy of the CSOs and renouncing government control over the functioning of the CSOs). Any significant amendment to the draft must be avoided and largely consulted;
- All the attacks and defamation of CSOs should stop, and replaced with fully enabling space for civic participation in decision-making;
- Authorities should properly investigate the abusive interceptions, identify sanction the responsible persons and inform the public;
- State Chancellery should ensure the implementation and budget support for the actions planned in the Action Plan of the Civil Society Development Strategy (CSDS) for 2018-2020;
- Amendment of the legal framework regulating the transparency at the level of the Parliament (the Rules of Procedure of the Parliament or the draft Code of the Parliamentary Rules and Procedures), in order to provide an obligation to publish the amendments to the draft legislation, additional documents and preliminary versions of the draft legislation;
- Moldovan Parliament should ensure that adequate timeframes are respected in practice, to allow meaningful public consultation and parliamentary debate;
- Ensuring the functioning and accessibility of the electronic system E-legislation;
- Moldovan Government should publish without exception all draft legislation and the result of the consultations;
- Organize trainings for CSOs on strategic communication, advocacy, planning and financial management;
- The Government should develop a framework mechanism to grant direct state funding to the CSOs, that will standardize the conditions and procedures for granting of funding, as well as to establish similar rules for all institutions;
- Strategic and budgetary planning at both national and local level of the direct state funding and develop a monitoring and evaluation system as regards the implementation of the state-funded projects;
- Amending the provisions from the Fiscal Code related to the income tax and VAT applied to non-commercial organizations;
- Amending the legal framework regarding philanthropy and sponsorship and the mechanism from the Fiscal Code for deducting of the donations for philanthropic and sponsorship purposes.

¹⁷ Expert Grup, Tax mechanisms for stimulating philanthropy, 2011, https://www.expert-grup.org/media/k2/attachments/Mecanisme_fiscale_de_stimulare_a_filantropiei.pdf.

Cross-cutting deliverable 2 on women's rights, empowerment and gender balance



Source: National Platform of EaP CSF; meeting of stakeholders on evaluation of cross-cutting deliverable on gender, October 2019

The right to equality and non-discrimination is recognized in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the European Convention for Defense, Human Rights and Fundamental Freedoms. The principle of non-discrimination also derives from the standards enshrined in European law, provisions of the Directive of the Council of the European Union. Moldova became a party to these instruments by signing, ratifying, recognizing this legal international instruments. Gender equality starts from the political will, the appropriate legal framework, and a fair participation of women and men in electoral processes, developing a gender equality policy framework suited to its parliamentary context as a model for all other state institutions at all institutional levels.

Taking into account adherence and alignment of the Republic of Moldova with the mentioned documents, a number of strategic actions have been undertaken by the Government and the Parliament in order to bring the national legal and regulatory framework in line with international standards in the field of gender equality. The Law on Ensuring the Equality between Women and Men (2006), National Strategies and National Plans for Promotion of Equality between Women and Men during this period were adopted annually.

The establishment of a gender quota is aimed to ensure higher representation of women in political life, aim that can be achieved if nominated women are placed in a position with a real

chance of election. This would mean placing women at higher positions on party lists, equally as men, and not in lower places as has been the case during previous elections. Law No. 71, adopted on 14 April 2016, stipulates that women and men must make up minimum 40 per cent each of every political party's candidates and cabinet nominees. Law No. 71 amends 15 other national laws, including the Electoral Code, Law on Government and Labour Code of the Republic of Moldova. Although, Moldova was considered to have made a historic step in promoting gender equality in politics, with the imposition of a minimum of 40% women on the electoral lists of parties, the prohibition of sexist language or the aggression in all its forms in society, especially against women, today Republic of Moldova has the only one woman as a member of the Government.

International organization systematically contributed to critical amendments to the legislation addressing gender-based and domestic violence, provided critical support to women in leadership positions at all levels enabling them to become effective drivers of gender equality agenda at all levels, created jobs and supported women-led businesses, set-up services in support of the most vulnerable and marginalized women across the country. Women still face discrimination and inequality in social, economic and political life and their representation in Moldovan politics and decision-making remains below international benchmarks. Women in Moldova also face specific problems in education and labor market, qualitative health care services, etc. It was recognized the importance to continue reforms and to adjust legislation in order to respond to international standards on gender dimension in Moldova.

- **National mechanism on gender equality** is regarded as an appropriate instrument for ensuring that issues of gender and gender mainstreaming agenda are implemented. Ensuring equality between women and men with implementing by strengthening human resources capacities within the institutional mechanism, in ministries, central administrative authorities, local at all levels; streamlining the work of the Governmental Commission for Gender Equality, evaluating and adapting gender policies based on the gender mainstreaming analysis tools; ensuring the consolidation and implementation of the gender policy at the institutional level of the local public administration authorities, the functionality of the gender unit; ensuring mechanisms for implementation of the legal and regulatory framework.
- Provide **gender sensitive budgeting in all areas** with promoting the integration of the gender dimension in the budget programs by establishing sensitive indicators, increase capacity of specialists responsible for budget development in terms of using the principle of gender equality in the budgeting process; develop gender sensitive indicators on gender equality; identify and involve of partners in budget development; prioritize expenditures in areas targeting gender equality in different sensitive sectors, state budget, budgets of autonomous territorial units; allocation adequate human and financial resources to programs, projects and initiatives to ensure gender equality in order to empower women.
- **Ensuring the participation of women at the political and decision-making level** by strengthening the legal and institutional mechanisms regarding the promotion of women in

the decision-making process; respecting the legal framework regarding the empowerment of women equally with men, in political parties' lists for elections in the Parliament of the Republic of Moldova; modifying and adjusting all the legislation in order to protect these rights. Application of policies and programs meant to influence society in gender manner; remove of gender stereotypes and structural barriers, discrimination in political and public activity, underrepresentation of women in decision-making positions in political, public life; remove structural barriers to promote women; increase balanced participation of women and men in political and public life, etc.

- Support women to **participate in the labor market**, especially in cases of lack of services for women with small children; age-based employment discrimination against women, including those with disabilities. Eliminate occupational segregation, especially by promoting equal participation of women in highly skilled jobs and senior management positions. Ensuring equal pay for equal work, equal value eliminating average wage discrepancies for similar economic activities, promote gender entrepreneurship especially in the rural area, improve the entrepreneur's analytical and managerial abilities; creating favorable conditions for childcare for families with preschool children; provide employment for migrants, and returning migrants; harmonization of national legislation with European standards.
- Modify and harmonize the legislative framework on gender equality assuring **equal social insurance** policies for women and men; eliminate the discrepancies regarding the average size of the retirement pension by age, according to the normative framework of the European Union directives; improving the policy framework for families with children in order to ensure fair involvement of parents in raising and educating children; provide childcare allowances, which are on the register of social insurance bodies, ensuring equal participation in the care of children up to 3 years. Eliminate double burden of women in family and professional life, as the main provider of care and social protection, discrepancies between pensions of men and women.
- Integration of the **gender dimension in health system** by developing and ensuring a normative framework correlated with gender policies, by promoting the culture for health, among women and men through information, education and increasing the addressability to health services; enhance the knowledge of health specialists on gender particularities in health. Improve the access to quality of reproductive health services, in order to diminish the health problems of the young society.
- Ensuring the integration of the **gender dimension in education**, through introducing gender dimension into educational policies and strategies in order to improve the gender dimension in educational system; develop and implement educational programs and methodologies in order to create a responsible behavior in educational process; initiate training for teachers in order to overcome the stereotypes and the formation of the gender consciousness; include the gender dimension in the general education system, promoting

gender education in higher education, in the career guidance process with the purpose of accessing non-traditional trades, guiding also all types of vocational education institutions; develop human and methodological resources based on the principle of gender equality.

- Adjusting structural and cross - sectorial strategies, **to adapt to climate change** in order to include the gender dimension in relevant areas such as transport and road infrastructure, agriculture, energy, water and sewage, food security, regional development and construction, health, etc. Train and empower civil servants in the field of global warming and climate change through the impact of gender.
- **Preventing and combating stereotypes** in society and promoting non-violent communication, especially in the media and advertising; distribution of the presence of women / men in the public media space on the political and economic field; elaborate and promote media products through the gender perspective; raising awareness of the perception of gender stereotypes and nonviolent communication; eliminate non-sexist language in official documents, especially in legal texts, political documents, programs and promoting language reflecting gender equality principles.
- **Gender equality in the security and defense sector insure** women's access to leadership and to execution of functions in the field of security and defense and enforcement; providing employment after the returning from the child care leave, training and retraining, including gender equality, gender distribution by rank of people in peacekeeping, humanitarian and civilian missions.
- **Gender-based violence** is one of the most serious violations of human rights recognized in Moldova. It is imperative for the Government to take urgent measures to prevent more efficiently such crimes and protect victims of domestic violence and trafficking. It is necessary to train professionals involved in any type of interventions with victims of violence; to raise public awareness in the context of human rights; create system of more efficient services aimed to protect and assist victims of domestic violence and human trafficking; increase efficiency of dialogues and social partnerships in prevention and combating all forms of violation at all levels. It is necessary to create basis for a system of working with abusers in order to prevent the recurrence of abusive actions.

Cross-cutting deliverable 3 on strategic communication



Source: Association for Independent Press

Key challenges:

- The level of trust in and of public support for the European Union has remained at the same, increasing, level since the beginning of 2018, and the EU perception among the Moldovan population is positive. Hence, according to the Public Opinion Barometer¹⁸, carried out by the Public Policies Institute and the Center for Sociological Investigations and Marketing CBS-AXA during 19-31 January 2019 in 13 geographic regions, on a representative sample of 1,224 persons aged 18 and beyond, in an eventual referendum on whether Moldova should join the EU, 46.9% of respondents would be pro and 25.9% - against. At the same time, 47.1% of respondents think that Moldova would obtain more advantages or just advantages if it became EU member, compared to 25.3% who think that an eventual joining of the EU would bring more disadvantages or just disadvantages to Moldova. To the question "If in a referendum you had to choose between Moldova joining the European Union or the Eurasian Union (Russia-Belarus-Kazakhstan), what would you choose?", 35.6% of respondents opted for the EU, 32.2% - for the Eurasian Union, and 22.8% said they were undecided on this matter;
- Nongovernmental organizations and independent media outlets carry out some communication campaigns about the benefits of the Association Agreement and the importance of Moldova fulfilling its commitments assumed at European level as well as for promoting the European values. For instance: the communication and information

¹⁸ Public Opinion Barometer, conducted by the Public Policies Institute and the Center for Sociological Investigations and Marketing CBS-AXA, January 2019: http://ipp.md/wp-content/uploads/2019/02/BOP_02.2019-new.pdf

campaign "Europe for me"¹⁹, conducted by three nongovernmental organizations (Association of Independent Press, National Environment Center and the National Youth Council of Moldova) within the National Platform of the Civil Society Forum of the Eastern Partnership;

- The Russian influence in Moldova has not decreased, nor has changed the level of propaganda through the media outlets relayed from Russia, despite that the Democratic Party governance until June 2019 frequently stated that it would fight for information security and against the foreign propaganda, and even passed a change to the Broadcast Code²⁰, i.e. *"in view of ensuring the state information security, broadcasters and service distributors are allowed to transmit TV and radio programs with informative, informative-analytical, military and political content, produced in EU member states, USA, Canada, and in the states that have ratified the European Convention on Transfrontier Television"* (known as the 'anti-propaganda law' targeted against the Russian TV stations). This law has only very little influenced the amount of propaganda information because the Broadcasting Council, the national authority for TV and radio regulations, is not pro-active in monitoring the implementation of this law and pro-Russian stations have found ways to go around this restriction by including Russian news in their own newscasts, in the foreign news rubric;
- Civil society organizations and foreign donors carry out activities for enhancing the resilience of the population to internal and external disinformation and propaganda; they carry out systematic media education activities (the Campaign against False and Biased Information STOP FALS!, media education projects in schools, lyceums and libraries, projects on flagging the trolling phenomenon, financial support to audiovisual co-productions etc.);
- The Work Group for improving media legislation,²¹ set up by the Parliament and supported by the Joint EU and Council of Europe Project "Promotion of Media Freedom and Pluralism in Moldova", was active between June 2017 and July 2018. It was made up of experts of the civil society and media nongovernmental organizations and prepared a number of draft laws for improving the economic situation of media outlets and the sustainability of independent press. The following laws drafted by this WG have been passed by the Parliament and have become effective: National Media Development Concept,²² the Law on Attracting Foreign Investment to Production of Films and Other Audiovisual Works,²³ the Code of Broadcast Media Services²⁴ (law that replaced the Audiovisual Code). Regrettably, the Democratic Party that ruled in Moldova until June 2019, failed to pass other important laws, drafted by the WG, because it wished to maintain the dominating position of its own media holding on the media and advertising markets, to keep political control over the media content, and to discourage independent press;

¹⁹ The Project "Information Campaign in Moldova's Regions on the Democratic Situation and EU Assistance to Country's Development," January – June 2019: <http://api.md/page/ro-campanie-de-informare-in-regiunile-moldovei-despre-situatia-democratica-si-asistenta-ue-pentru-dezvoltarea-tarii-345>

²⁰ Law no.257 of 22 Dec 2017 on Completing the Broadcast Code of Moldova no.260/2006, effective as from 10 Feb 2018: <http://lex.justice.md/md/373711%20/>

²¹ <http://www.parliament.md/Actualitate/%C3%8Embun%C4%83t%C4%83%C8%9Birealegisla%C8%9Bieimassmedia/tabid/255/language/ro-RO/Default.aspx>

²² Law no. 67 of 26 July 2018 On Approving the National Media Development Conception in Moldova: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=376867&lang=1>

²³ Law no.154 of 26 July 2018 On Attracting Foreign Investment to Production of Films and Other Audiovisual Works, in force as from 01 Oct 2018: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=376977>

²⁴ Moldova Code of Broadcast Media Services no. 174 of 8 Nov 2018, effective as from 1 Jan 2019: <http://lex.justice.md/md/378387/>

- The advertising market shows clear signs of monopolization by the sales houses controlled by politicians, and the Competition Council delays the investigation of signals of cartel understandings on this market²⁵;
- The Activity Program of the current Government²⁶ led by the Socialist Party, approved on 14 November 2019 does not contain any chapter dedicated to media, which would contain solutions for the problems in the field: imperfect legal framework, concentration of ownership, abusive dominant positions on the advertising market, limited access to information, lack of tax incentives for the development of media outlets, journalists' limited access to databases, political subordination of 'Teleradio-Moldova' Public Company, etc.
- The European Union and other development partners have increased the assistance to independent media outlets in Moldova by offering grants and other non-reimbursable funding to newsrooms with a balanced and objective editorial policy, including in Russian.

Key recommendations:

- The Government of the Republic of Moldova must include in the Governmental Program a separate chapter dedicated to media, thus committing to identify solutions for media sector problems, also mentioned in the Resolution of the 2019 Media Forum²⁷ held on 4-5 November, 2019.
- In order to improve the situation of the media and to ensure a framework of economic development in fair competition conditions, the Moldovan Parliament and Government should take measures for demonopolizing the advertising market and for ensuring the efficiency of the Competition Council in investigating and sanctioning cartel understandings on the advertising market. It is mandatory to pass a new law on advertising (a draft law was prepared by the WG of the previous legislature, registered under no. 18028 and voted in the first reading on 11 Oct 2018). In order to hold the Competition Council accountable for the investigation of signals of abuse of dominating position, unfair competition and/or cartel understandings on the media and publicity markets, the Competition Law must be completed with additional provisions that would require the Competition Council to intervene efficiently in such cases;
- The National Media Development Conception must be enforced by using it as basis for developing the Media Development Strategy and the Action Plan for the implementation of the Strategy, with specific provisions, responsible institutions and financial coverage;
- The Parliament and the Government must remove any political control over the appointment of the regulation authorities (Broadcast Council, Supervision Council of "Teleradio-Moldova", Competition Council) and amend the law and current practices;
- In view of ensuring the access of journalists to public interest information, the Government must ensure opening databases in legal conditions and the Parliament must pass the draft law²⁹ for completing a number of laws (Law on Access to Information, Law

²⁵ <http://media-azi.md/ro/stiri/media-azi-%C3%AEn%C8%9BBelegerea-de-cartel-pe-pia%C8%9Ba-publicit%C4%83%C8%9Bii-tv-investiga%C8%9Bie-f%C4%83r%C4%83-r%C4%83spuns-marcel?fbclid=IwAR3IwECJEdBCdLGjhaUKBCuhRjR28g8WLqHumXRCZG7eEBVuGXAlCplNr0>

²⁶ Activity Program of the Government led by Mr. Ion Chicu, 14 November 2019:

<http://parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/5577/language/ro-RO/Default.aspx>.

²⁷ Resolution of the 2019 Media Forum, 4-5 November 2019: <http://api.md/news/view/ro-rezolutia-forumului-mass-media-din-republica-moldova-2019-chisinau-4-5-noiembrie-2019-2100>

²⁸ Advertising Draft Law no. 180: <http://www.parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/4224/language/ro-RO/Default.aspx>

²⁹ Draft Law for Amending and Completing Some Legislative Acts no. 290:

<http://www.parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/4337/language/ro-RO/Default.aspx>

on Freedom of Expression, Law on Private Data Protection, Law on State Secrets, and Law on Press). This draft law was prepared by the WG of the previous legislature, and passing it would bring essential improvements in accessing public interest information;

- Implement a system of incentives for newsrooms in renting office space in publicly owned buildings; to include media outlets in the list of beneficiaries of the mechanism for designating a percentage of individual income tax ("the 2% law"); introduce the concept of 'periodical publications of social importance' in the law³⁰ and to implement an indirect subsidizing system and a national system for granting state aids to such publications;
- Amend the Elections Code by removing some provisions that make the work of broadcast media service providers difficult during election campaigns, being required to broadcast election debates live, at certain evening hours;
- The Broadcasting Council should undertake concrete responsibilities for the protection of the domestic broadcast space against Russian propaganda interference; should continuously monitor relayed stations and impose sanctions that would discourage legal infringements, and should promote quality domestic audiovisual products, with emphasis on products in Romanian;
- The Ministry of Education, in cooperation with specialized nongovernmental organizations, should produce media education programs in the country's education facilities;
- Strengthen strategic communication by funding training programs and for developing the information resilience of citizens of all ages and occupations, of programs for counteracting disinformation and propaganda;
- The provision of macro-financial assistance to Moldova should more strictly be conditioned on Moldovan Government and Parliament making clear and concrete commitments for developing the independent media outlets and on keeping such commitments;
- Continue and extend the EU assistance programs for Moldovan independent and quality media outlets, including regional newsrooms, investigative reporting teams, and for innovative solutions in journalism.

³⁰ The draft law for amending and completing certain legal acts no. 291:
<http://www.parlament.md/ProcesulLegislativ/Proiectedeacteleislative/tabid/61/LegislativId/4338/language/ro-RO/Default.aspx>

Deliverables 4-8 related to economic growth and market opportunities



Source: insidesmallbusiness.com.au

Deliverable 4 – SMEs development

Key challenges:

- Although, 99% of all companies in Moldova are SMEs, only less than half of these enterprises register profits (48% in 2018, with a slight increase compared to 47% in 2017 and 44% in 2016). Such a high share of enterprises that incur persistent losses most likely reveals the phenomenon of informal sector and tax evasion, but also low competitiveness and poor sustainability of these firms.
- While SME sector is the main employer (the share of SMEs in total employment hovers around 60-62%, with a constant decline during last years), most jobs are concentrated in sectors with the lowest productivity, competitiveness and propensity to informal economy: agriculture (86% of total jobs in 2017) and services (70% of total jobs in 2017).
- Also, the SME sector is a major source of low productivity jobs. Average sales per employee in SMEs account for only 44% of those in large enterprises, with a decline compared to previous years. The largest discrepancy can be observed in the sector of services, where the SMEs are mostly present, the productivity is about three times lower

compared to large enterprises. In industry and agriculture, the SMEs' productivity is about twice lower.

- Low productivity of SMEs undermines their capacity to generate decent jobs. The average monthly wage paid by SMEs (ratio between total wages and number of employees), is about 49 thousand MDL in 2018, which is about twice lower compared to the levels registered by large enterprises. The lowest wages are registered in the sector with the lowest productivity: agriculture.
- Low competitiveness and high informality explain the low levels of wages in SME sector. There is a negative correlation between the share of companies incurring losses in total number of companies and the level of wages across sectors. Sectors where the share of SMEs incurring losses is the highest (agriculture and industry), pay the lowest wages.
- Low competitiveness and high informality undermine the capacity and incentives of SMEs to invest. SMEs contribute to less than half of total long-term investments (48% in 2018, with a growing trend), the majority (about 85%) being concentrated in the sector of services. Investments per employee in SMEs are twice lower compared to large enterprises.
- SMEs remained weak and unsustainable, with limited capacities to implement the EU standards in order to tap the EU market.
- Moldova evolved from the 63rd place according to the report of 2015 to 47th place according to the report of 2019. The increase in ranking was due to some substantial improvements only in three areas covered by the Doing Business ranking: "Starting a business", "Paying taxes" and "Getting electricity". Thus, despite the positive improvements related to business regulatory framework that elevated Moldova in Doing Business ranking, there are still major issues with resolving insolvencies, getting construction permits and time duration for paying taxes.
- Although, there is an adequate policy planning framework for engaging SMEs in environmentally friendly activities and the national legislation provides "sticks and carrots" to promote greening enterprises, the efficiency of these policies is undermined by low awareness among SMEs about green economy. According to a survey conducted in 2018 by ODIMM, half of surveyed representatives of SMEs are not familiar with the concept of green economy and there is a low engagement of SMEs in the promotion of environment protection.

Key recommendations:

- Identification of mechanisms to financially and technically support the SMEs in their efforts to implement EU standards.
- Optimization of the business regulatory framework, by speeding up the procedures for resolving insolvencies, getting construction permits and paying taxes, in order to ensure an even progress of the country in the Doing Business ranking.
- Promotion of the concept of entrepreneurial learning in an active and consistent manner.
- Increase the capacities and incentivize the SMEs to take a more active part in the public-private consultations.

- Increasing SMEs' access to public procurement and the capacity to act as subcontractors.
- Developing the SMEs' skills in such areas as entrepreneurship training for family businesses, “silver” entrepreneurs and SMEs' participation in global supply chains, through trainings (including online training).
- Active promotion of green economy among SMEs, along with financial/fiscal incentives for SMEs that implement green technologies.

Deliverable 5 - Access to finance and financial infrastructure

Key challenges:

- After the banking crisis, the government managed a good progress with the adoption of EU Directives and aligning the legal framework to EU norms in the banking and non-banking financial sectors, as well as anti-money laundering framework. These reforms have to be properly enforced, so that the financial services could be improved and diversified.
- Limited access to financing is a fundamental barrier for SMEs to invest and develop. A brief analysis of SMEs balance sheets reveals a relatively low leverage ratio: total amount of debt per total assets of SMEs was 0.67 in 2018, being in decline over the last years (0.68 in 2017 and 0.71 in 2016). The biggest problem is related to access to “long money” (the leverage ratio in the case of long term debt is 0.25). On the one hand: it reveals the potential of SMEs to attract more funding (loans, credits), being largely solvent (assets exceed total debt). Thus, Moldova was ranked 111th out of 140 countries according to financing of SMEs, in the Global Competitiveness Index 2018. On the other hand: it reveals their struggle for obtaining financing from the financial sector.
- The credit bureau coverage gradually improved, but it remained insufficiently developed: at the end of 2018, on the territory of the Republic of Moldova were authorized to operate only 2 credit bureaus of credit histories.

Key recommendations:

- Access to finances is one of the fundamental bottlenecks of SMEs' development. The government has to increase the capitalization of the loan guarantee fund for SMEs and develop the financial sector in order to facilitate their access to long-term financing.
- Conduct a detailed mapping of all existing instruments used by the Government to financially support the private sector and in order to increase their consistency and focus. All in all, the existing instruments (e.g. subsidies, loan guarantee fund, other programs implemented by the Organization for SMEs' Development, state aid etc.) should be focused on SMEs that meet the following criteria: (i) produce high-value added goods and services (a certain level of technological sophistication and processing); (ii) generate formal and decent jobs; (iii) are export-oriented; (iv) implement environmentally friendly technologies; (v) have transparent and high integrity ownership.
- It is necessary to strengthen the creditors' rights, as a key precondition for facilitating the access of SMEs to financing.

- Integrate bankruptcy prevention concept and measures into the national legislation and ensure their enforcement by building capacities and strengthening relevant public institutions. The need for preventive measures is becoming more and more relevant, taking into account the growing number of registered SMEs and high share of entities experiencing constant negative profits
- Speed up the process of resolving insolvency and undertake measures to increase the recovery rate of creditors in case of insolvency.

Deliverable 6 - New economic opportunities at the local and regional levels

Key challenges

- Over the last years, the local public authorities (LPAs) became increasingly dependent on the central government, which led to the phenomenon of political clientelism in allocation of funds to LPAs for investments. During 2017-2018, over 70% of total revenues of LPAs represent transfers from the State Budget. This share increased over the last years, especially after the entering into force of the reforms of the local public finances in 2015.
- Such a high dependency of LPAs on the transfers from the State Budget reveal the limited fiscal space and economic opportunities at the local level on the one hand, and, on the other hand, it undermines further the capacity of LPAs to generate economic opportunities. As a result, a vicious cycle is formed, trapping the LPAs and cementing a system of political clientelism and corruption in the relations between the central government and LPAs.

Key recommendations:

- It is necessary to increase the financial autonomy of LPAs, which is a key precondition for ensuring local and regional economic development. It should be done by granting autonomy on the decisions to set local taxes. It is also necessary to analyze the possibility to extend the system of tax sharing applied in Gagauzia across the entire country, where the majority of taxes paid at the local level stay with the LPAs, rather than being channeled into the central budget.
- As a fundamental precondition for increasing the economic opportunities at the local level is the territorial administrative reform of the country. This reform is necessary in order to align the territorial administrative system to the demographic realities and financial capacities of the country. In the end, the country needs less LPAs, but with more capacities and autonomy, in order to be capable of generating economic opportunities by attracting investments and modernizing the infrastructure.

Deliverable 7 - Harmonization of digital markets

Key challenges:

- Over the last years, this sector witnessed some important policy evolutions: approval of the legal framework for the functioning of IT parks with a simplified and preferential fiscal treatment, alignment of the domestic legislation by transposing the 6th EU Directive for ensuring the neutrality of internet and transition to digital television beginning with March 1, 2020, simplification of procedures and terms for employing foreign citizens, including by optimization of the procedure for getting permits of stay for Moldova. The main challenge is related to the promotion of digital literacy and awareness in the public and private sector in order to increase the capacity and willingness of the state institutions and firms to implement digital solutions at a larger scale.

Key recommendations:

- Promotion of digital literacy and awareness among state institutions and private sector, order to increase the capacity and willingness of the state institutions and firms to implement digital solutions at a larger scale.
- Implementing digital solutions in the delivery of public services (mainly, in the health sector), in order to improve the accessibility, quality and effectiveness of public services, and minimize corruption.
- Implementation of e-commerce solutions at a larger scale in order to simplify and speed up the export-import operations.
- Adhering to the EU roaming common space, in order to align the roaming tariffs to EU levels.

Deliverable 8 - Trade and DCFTA implementation

Key challenges:

- During the DCFTA implementation, the exports of Moldova to EU increase by 1.5 billion EURO (during 2015-2018 compared to 2011-2014), posting a 34% growth – twice faster than exports to other destinations. As a result, exports to EU account for about 70% of total exports of Moldova (similar share in Transnistrian region). The main beneficiary of DCFTA was the agrifood sector, where the exports grew by 52%, while exports of industrial products grew twice slower. The main challenges are related to the fact that the exports remained highly concentrated geography- and product-wise, while the level of technological sophisticated and industrial processing remained extremely low. As a result, the growth in exports to EU is not sustainable and brings limited value added.

Key recommendations:

- The government has to encourage the diversification of exports and increasing their value added. It should be done by continuation of implementation of EU standards and modernization of the entire quality infrastructure.
- Public policies should target two strategic priorities: (i) ensuring the continuity and irreversibility of the quantitative growth of exporting to the EU market; and (ii) enhancing the quality of exports to the EU market by increasing diversification and value added generated by these exports. In this sense, the following actions are necessary:
 - The promotion of Moldova's investment attractiveness abroad should target areas of high value-added production, especially in activities using local raw materials for processing and which ensure a higher level of technological sophistication of exports.
 - Modernization of the quality infrastructure, by increasing the capacities and efficiency of the National Agency for Food Safety to facilitate exports of agri-food products, as well as modernization and expanding the network of laboratories certifying the conformity of agri-food products in line with the EU standards. In this context, it is imperative to obtain permission to export products of animal origin on the EU market.
 - More active information among small and medium-sized enterprises regarding technical requirements to access the EU market. Equally important is the promotion of the exchange of experience between SMEs that intend to export and companies that have succeeded in exporting to the EU market.

Deliverables 9 and 10 on rule of law and anticorruption mechanisms and implementation of key judicial reforms



Source: ec.europa.eu

Deliverable 9 – Rule of law and anti-corruption mechanisms

Brief background and account of the current state of affairs:

Moldova has been marked by two significant frauds that were possible only with the involvement of high-level officials, including from the anti-corruption institutions, and judiciary. The first refers to the disappearance of approximately 1 billion USD from the Moldovan banking sector or the equivalent of 13% of Moldovan GDP, within several years, which became public at the end of 2014, after the parliamentary elections (known as the “billion theft/bank fraud” case). The second refers to the alleged involvement of 16 judges in money-laundering activities of about USD 20 billion from Russia to various European states via Moldova during 2010-2014, known as the “[Russian Laundromat scheme](#)”, which became public in September 2016 after the Anti-corruption Prosecution Office announced the initiation of a criminal case in this regard. The effectiveness of any anti-corruption measures will be questionable until the investigations show some concrete results.

The [state capture](#) after the Democratic Party came to power in 2016 only worsened the situation. Moldova continued with numerous legislative initiatives meant to prevent and fight anti-corruption. However, very few results were achieved in practice, because vested interests have continued to block the full potential impact of these measures and some key measures to assure independence of key anti-corruption institutions have not yet been taken (as concluded in [a study on anti-corruption policies in Georgia, Moldova and Ukraine in 2017](#)). Moreover, dangerous legislative initiatives were adopted in 2017-2018, such as amendments to the Law on citizenship allowing proving Moldovan citizenship based on “investments” and the law on capital and fiscal

amnesty. The [Transparency International 2018 Corruption Perceptions Index](#) ranks Moldova on 117th place out of 180 countries, with a negative trend since 2012. The [2019 Rule of Law Index](#) ranks Moldova on 83rd place out of 126 evaluated countries, with corruption, civil and criminal justice as lowest scored domains.

The Government installed in June 2019 (see more details under next sub-section, deliverable 10) prioritized justice reform and anti-corruption and included several measures in its work plan for 2019-2020. These primarily focused on improvements to the legal framework on assets declarations, the functioning of the National Integrity Authority, anti money-laundering framework, competencies and focusing the Anticorruption Prosecution Office on fighting high-level corruption. The Parliament instituted a moratorium on the law allowing provision of citizenship based on investments. The Prosecutor General resigned at the end of June 2019 and an Interim Prosecutor General, Dumitru ROBU, was appointed by the Parliament in July 2019. The Law on prosecution office was amended introducing a pre-selection stage by an independent commission created by the Minister of Justice for identifying at least two candidates for further selection by the Superior Council of Prosecutors and appointment by the President (the contest is still on-going). The ex-head of the Anticorruption Prosecution Office, Viorel MORARI, dismissed at the end of April 2019 from his position, was reinstated in function mid September 2019. After the appointment of Mr. Robu as Interim General Prosecutor several investigations regarding high-level officials have been launched. The reinstatement of Mr. Morari as head of the Anticorruption Prosecution Office mid September has also been followed by the launch of several high-level investigations regarding the corrupt behaviour of high-level officials, including high-level judges and prosecutors and officials allegedly involved in the “billion theft” and other corrupt schemes. This trend proves to a great extent that the prosecution office was not let to do its job by the previous Government. It remains to be seen, however, if the trend will continue irrespective of the changes of the Government and whether the new Prosecutor General expected to be soon appointed by the President of the county will continue the trend or vice versa.

The new Government installed on 14 November 2019 by MPs from the Socialist and Democratic Parties (see details below) has so far referred to anti-corruption measures in general terms, avoiding details regarding the effective investigations of the billion theft, the Russian laundromat, the system of assets and interest declarations and the law on citizenship based on investments. The new Government program includes actions related to adoption of legislative amendments to improve the functioning of anti-corruption agencies, without giving details, as well as some questionable measures such as setting up instruments for monitoring the lifestyle of judges and prosecutors and setting up a specialised anticorruption court and anticorruption specialised panels at appeal and Supreme Court levels. The proposed measures need to be further detailed in an action plan, which should provide for more clarity on intended plans.

Key challenges in achieving the 2020 targets:

- Effective systems of declaration of assets and conflict of interest developed and implemented for at least Members of Parliament (MPs), politicians and high ranking officials, including an electronic, easily searchable public registry of interests and assets, effective verification mechanism and dissuasive sanctions. Moldova has a system of assets and conflict of interest declarations for all public officials and the declarations is accessible electronically. The database could be improved for making it more accessible and searchable. The National

Integrity Agency is a public body responsible for verifying the assets declarations. The effectiveness of the system is affected by three significant problems.

Firstly, the National Integrity Authority became fully functional only in 2018, still without all positions of integrity inspectors filled in. due to significant delays in setting it up and improper competences allocated in 2017 (eg issuing of integrity certificates for electoral candidates), the Authority did not conduct sufficient thorough verifications and has not yet proved to be an effective agency. It still needs to build a track record of cases to show its functionality, particularly regarding the high-level officials.

Secondly, a vicious practice has been installed by several public officials declaring illusory / significantly lower prices for assets / purchased goods, using the “contractual liberty” as argument and evidence of the “adequate declaration”. For example, luxury cars/new cars are declared at a value of EUR 500 – 5,000, while the real value amounts to thousands or hundreds of EUR. This practice was created by the predecessor of the National Integrity Authority and continued without being yet adequately tackled by the Authority.

Thirdly, many public officials declare their assets as being donated or owned by close relatives, which could not reasonably justify such wealth if investigated. No cases have yet been initiated, or at least made public, to challenge this practice.

These challenges have to be tackled by the National Integrity Authority, as well as via legal amendments. A draft law in this respect was initiated at the Ministry of Justice but has not yet been finalized and published. It remains to be seen if the new Government will continue with this initiative. The target remains thus very relevant for Moldova.

- Independent specialised high-level anti-corruption bodies fully operational: The Anti-corruption Prosecution Office is the main body charged with criminal investigation and prosecution of high-level officials. However, it is not focused only on high-level corruption. It shall investigate and bring cases of high-level corruption, as well as oversee the criminal investigation of all other corruption cases carried out by officers of the National Anti-corruption Center and bring those cases to court. Already at the end of 2018 it was clear that the competences of the Anticorruption Prosecution Office are too large for the allocated staff, which affects significantly its ability to qualitatively investigate the complex cases (see for details a [position note advocating](#) for limiting the Anticorruption Prosecution Office competences to high-level corruption). Since September 2019, the Anticorruption Prosecution Office has become significantly more active and has initiated several complex cases. However, the current staff is insufficient. Mid November 2019, the head of the office has addressed the Parliament with the request to increase the staff (prosecutors and auxiliary staff) to allow for qualitative investigations. This request has not yet been met. The target remains thus very relevant for Moldova.
- Legal framework allowing for the effective seizure, confiscation and management of crime proceeds across the EaP region. AROs in place with a track record for identification, freezing, management and confiscation of criminal/unjustified wealth: The Criminal Assets Recovery Agency (ARBI) was provided by a law adopted at the end of 2017, but it took another year until the agency became functional. ARBI is a specialized division within the National Anti-corruption Center. It is in charge with parallel financial investigations and drafting protocols

for seizure of crime proceeds, as well as evaluation and administration of the crime proceeds. Since 2018, the ARBI started using its competences. Seized goods and securities amounted to approximately 9 mln EUR. One of the main criticisms brought referred to insufficient activity regarding the seizure of goods related to the “billion theft/bank fraud” case. In [a report published in September 2019, MONEYVAL](#) concluded that the figures on the number and the value of confiscated assets remain low and do not appear to correspond to the scale of proceeds-generating crime in the country. The results are considerably weaker when taking into consideration the value of property that was effectively recovered. It recommended the Moldovan authorities to increase the effectiveness of confiscation of proceeds, in particular regarding extended confiscation. The target remains thus very relevant for Moldova.

- Effective tools for financial investigations are in place, in particular: centralised bank accounts registries and reinforced Financial Intelligence and Investigation Units. Public registries of beneficial ownership of legal entities and legal arrangements developed. The Service for Prevention and Fight of Money Laundering (SPCML) (Financial Intelligence Unit) is the national center for collection, analysis and dissemination of financial data. In [a report published in September 2019, MONEYVAL](#) concluded that the SPCML has a reasonably thorough analysis procedure to develop financial intelligence, which is used –to a certain extent -by law enforcement in criminal investigations related to money laundering and proceeds generating offences. Parallel financial investigations appeared to be carried out in proceeds generating cases. However, only a limited number of investigations lead to prosecutions. The procedures for establishing and sanctioning the money-laundering activities are insufficiently reflected in the legislation. A draft law in this regard has been drafted by the Ministry of Justice and is expected to be promoted. The target remains thus very relevant for Moldova.

Key recommendations:

The European Union:

- apply strict conditionalities for any support provided to the Republic of Moldova and maintain effective anti-corruption mechanisms among the conditionalities for any such support;
- continue closely monitoring the level at which the Moldovan authorities show evidence-based improvements and fulfillment of the key short-term and medium-term priorities included in the EU-Moldova Association Agenda regarding the anti-corruption mechanisms.

The Republic of Moldova should:

- limit the powers of the Anticorruption Prosecution Office to investigate high-level corruption and provide it with sufficient staff and technical equipment to qualitatively investigate on its own the cases of high-level corruption;
- request external technical assistance to investigate the two most important cases: the bank fraud and the Russian Landromat scheme;
- strengthen the system of verifying the assets, conflicts of interest and incompatibilities of the public officials, including by legislative amendments and changes in practice regarding the value of declared assets and their source. Request a mission of foreign experts to work for at least six months at the National Integrity Authority to assist integrity inspectors to improve their working methods;

- increase the effectiveness of confiscation of criminal proceeds, in particular regarding extended confiscation;
- adopt the amendments to the anti money-laundering legislation to ensure effective sanctioning procedures.

Deliverable 10 – Implementation of key judicial reforms

Brief background and account of the current state of affairs:

Moldova has been struggling with ensuring an independent and accountable judiciary for years and this remains to be among country's top challenge. The implementation of the comprehensive Justice Sector Reform Strategy for 2011-2017 has led to important progress on the technical level, such as full audio-recordings of court hearings, random assignment of cases functioning in all courts, increased number of court staff and higher salaries for judges and court staff.

However, the overall worsening climate of democratic governance between 2016 – June 2019 due to concentration of power and state capture by a small group of people under the leadership of the oligarchic leader of the Democratic Party of Moldova has affected significantly the judiciary. Selective justice and the use of judiciary for political and personal gains has become more prominent. Phenomena as the use of criminal justice against outspoken judges and political opponents, wiretapping of critical voices in the society (the judges authorized the [wire-tapping of more than 50 political and NGO activists, including independent journalists](#), based on peaceful posts regarding protests on Facebook), enhanced prosecutorial bias in the judiciary, closed hearings in several high profile cases for no legitimate reasons, unprecedented annulment in June 2018 of local elections in the capital of Chisinau, won by an opposition candidate, characterized the past three-four years.

In a [March 2019 report, the International Commission of Jurists noted the](#) culture of excessive hierarchy prevalent among judges, the stories of judges who live in fear of expressing their opinion about the situation in the justice or the fear of prosecution for issuing decisions contrary to the interests of the prosecutor's office or the people in power, and other dysfunctionalities in the judiciary. Since 2012, the public trust in the Moldovan judiciary was constantly below 20%.

The European Parliament acknowledged the dire situation of the Moldovan judiciary in several recent resolutions. On [5 July 2018, the European Parliament](#) noted that “the decision of the courts, which have already been cited many times as politically influenced and driven, is an example of state capture and reveals a very deep crisis of the institutions in Moldova”. On [14 November 2018, the European Parliament](#) stated that the democratic values were being undermined by “the ruling political leaders colluding with business interests and unopposed by much of the political class and the judiciary, resulting in the Republic of Moldova being a state captured by oligarchic interests with a concentration of economic and political power in the hands of a small group of people exerting their influence on parliament, the government, political parties, the state administration, the police, the judiciary and the media”.

In June 2019, the pro-European political Bloc ACUM and the Party of Socialists created an unlikely majority coalition and set up a new Government on 8 June 2019, led by one of the ACUM leaders, Maia SANDU (Sandu Government). Again, the Constitutional Court was used by the Democratic Party in an attempt to maintain power. The Constitutional Court issued several decisions between 7-9 June 2019 reinterpreting the constitutional term for creating a governing coalition,

ordering the dissolution of the Parliament and annulling the appointment of the Government. On [24 June 2019, the Council of Europe's Venice Commission](#) concluded that the Constitutional Court decisions were not based on the Constitution and that the crisis and instability were rather caused by the actions coordinated with the speed of light between the Democratic Party of Moldova and the Constitutional Court.

On [8 June 2019, Parliament of the Republic of Moldova adopted a declaration](#) that provides, *inter alia*, that “the public and rule of law institutions and have been captured” and that “the oligarchic regime led by the leader of the Democratic Party of Moldova, Vladimir Plahotniuc, is responsible for the control [...] of Prosecutor General’s Office, justice system, National Anticorruption Center, National Integrity Authority, Central Electoral Commission, Security and Intelligence Service, National Bank of Moldova”. Getting rid of the state capture and reinstating rule of law seemed to be the common goals of the otherwise opposing platforms of the governing coalition partners in June 2019.

The newly created Government in June included deoligarhisation and justice sector reform among its top priorities and planned several legislative amendments in its [work plan for 2019-2020](#). One of the main envisaged reforms concerned the reorganization of the Supreme Court of Justice and the extraordinary evaluation of key positions in the judiciary and prosecution, with significant involvement of international experts and assistance from Moldova’s international development partners that supported the justice sector reform (the European Union and US). A draft law in this regard was submitted for Venice Commission review that issued [an opinion on 14 October 2019](#), recommending several improvements. In addition, the Government planned to amend the Constitution by removing important barriers to judicial independence (initial five-year appointment of judges, appointment of Supreme Court judges by the Parliament etc.), amend the law on the Superior Council of Magistracy to ensure a better representation of the judiciary and the accountability of the institution. The work plan included also improvements of the system of selection and promotion of judges and the system of judges’ and prosecutors’ disciplinary responsibility, as well as development of a new comprehensive Justice Sector Strategy.

On 12 November 2019, the MPs of the Party of Socialists and of the Democratic Party of Moldova sacked the Government over a draft law regarding the amendment of the preselection procedure of the candidates for the Prosecutor General. Already on 14 November 2019, the same MPs voted for a new minority Government, led by the ex-adviser to the country’s president, Ion CHICU (Chicu Government). The [new Government program](#) is envisaged only for a year, up to the 2020 presidential elections. It includes ambiguous provisions regarding the justice reforms. It provides for continuing the justice reform respecting the Venice Commission recommendations, which includes the extraordinary evaluation of judges, and, at the same time, it provides for amending the mechanisms for ordinary and extraordinary evaluation of judges “for cleansing the justice system from corrupt and vulnerable persons”. It includes the “reorganization” of the Superior Council of Magistracy, but with focus on selection of new members rather than some long-term institutional safeguards for accountability, which raises concerns in the current context where some judges and public officials question the legitimacy of the SCM (details below). The program maintains the reorganization of the Supreme Court of Justice and improvements of the system of judicial disciplinary responsibilities. No references regarding Constitutional amendments, the system of judicial selection and promotion, as well as development of a new justice sector reform strategy are included. So far, the signs are unclear from the Government and the Ministry of Justice regarding the further approach to the justice reform.

Although much needed, qualitative, judicial reforms have not been yet put in place, the June 2019 change of power and the events that followed have had some positive impact on the situation in the judiciary. After some years of very few judges that dared to speak publicly about the problems in the system, since June 2019 several judges have spoken up, one judge submitted a complaint on improper influences by other five judges in leading positions (the Judicial Inspection examined the complaint and sent it to the prosecution office). Three judges created a new association of judges, which is also a sign of some diversity in the system. Since September 2019, the Superior Council of Magistracy gave its consent for criminal investigation of two judges in key positions – the ex-President of the Supreme Court of Justice and another Supreme Court of Justice judges, ex-head of the Judges' Evaluation Board.

Also in September 2019, a group of judges initiated an Extraordinary Assembly of Judges to discuss the situation in the judiciary and revoke the mandate of the current Superior Council of Magistracy (SCM) judge-members' mandate. The Assembly took place on 27 September 2019. Although the quorum was questionable and no legal grounds were provided for revocation, the organizers held elections for revocation of the SCM judges' mandate and called for another Extraordinary Assembly of Judges to elect new members, according to amended rules voted at the same assembly without being published. The second announced Extraordinary Assembly of Judges did not take place due to lack of quorum. This is an important positive sign that the majority of Moldovan judges decided to respect the letter and the spirit of the law and not to take part in dubious elections. The SCM judge-members contested the revocation decision and the case is pending. Regretfully, some judges annulled and suspended some of the SCM decisions issued after 27 September 2019, on the grounds of SCM's legitimacy due to revocation of its judges-members. On the other hand, some members of the SCM did not show up to some sittings, including for sittings where the Prosecutor General requested the SCM consent for new criminal investigations of judges. One law professor member of the SCM resigned on 20 November 2019, which leaves the SCM dysfunctional due to quorum if at least one of the current members do not attend a sitting (eg the Minister of Justice). Currently the situation regarding the functionality of the SCM is a top priority, as well as the pending cases regarding the mandate of the SCM judge-members and the SCM decisions annulled/suspended for "legitimacy" reasons.

The Venice Commission reiterated the importance of the security of the fixed term of the members of the Council for ensuring their independence from external pressure including from the bodies who have elected them. Members should only be removed on disciplinary grounds and not for loss of confidence by the judges who participated in their election ([Venice Commission opinion of 14 October 2019](#), para. 82). On 27 November 2019, the [President of the Venice Commission](#) reiterated the Commission's standards and its acknowledgment of the legitimacy of the current composition of the SCM after the meeting with the current Minister of Justice.

Key challenges in achieving the 2020 targets:

- Track record of transparent and merit-based recruitment and promotion system: The selection and promotion of judges is still not merit-based, mainly due to selective approach and promotion of several candidates with serious integrity issues between 2013 – 2018. For example, within this period, out of 160 judges proposed for appointment by the SCM in a contest where more than one candidate participated, at least 110 (69%) had lower scores at the evaluation by the Selection Board. Out of 19 judges promoted to the

Supreme Court of Justice, 5 were promoted within a contest with a single candidate and 14 in a contest with more than a candidate, out of which 6 (43%) had lower scores. The SCM did not justify the selection of candidates with lower scores. Judges that declared luxury cars at a value of 500 euro or „forgot” to indicate an apartment in their annual asset declaration, or declared significant wealth as donations from close relatives that raised doubts regarding their ability to legally obtain such assets, were promoted to the highest court.

In 2018, legislative amendments were adopted meant to improve the judges’ recruitment and promotion system. Periodic contests were introduced, which should limit the opportunities for corruption, the SCM was expressly provided a maximum 20% of the total evaluation scores of the candidates and the rule for candidates to choose the court based on their evaluation scores was expressly provided in the law. On 6 August 2019, the SCM organized a contest for selecting 35 new judges, implementing thus the provision regarding the periodic contests and allowing the candidates to choose their positions (courts) in the order of the obtained evaluation scores. However, the President of the country, for inexplicable reasons, has not yet appointed the 35 proposed candidates.

While the selection process under the new rules was not perfect, this sets the ground for a more merit-based selection and promotion of judges in Moldova. The main remaining issues for improvement are the quality of evaluations carried out by the National Institute of Justice, the Selection Board and the SCM. All three levels need serious improvements, including the criteria and evaluation indicators included in the relevant regulations. Also, the SCM still needs to apply the same rules for promotion of judges, which has not yet taken place. The target remains thus very relevant for Moldova.

A significant challenge in instituting merit-based recruitment system remains the barriers in the Constitution, which provides for an initial 5-year appointment of judges and the appointment of Supreme Court of Justice judges by the Parliament, leaving room for political interferences with the appointment system.

- Track record of reported disciplinary cases, proceedings initiated and convictions in line with EU standards: Moldova struggled with setting up a functional disciplinary system since 2011, this issue being one of the priorities of the 2011-2016 Justice Sector Reform Strategy. In 2014, a new law on disciplinary responsibility of judges was adopted. However, the newly created system did not lead to effective changes in practice, in particular due to a cumbersome mechanism and the reticence of the disciplinary bodies to apply disciplinary sanctions for complex issues, in particular if the judgments related to the disciplinary complaints were not annulled in appeal proceedings. Practically, judges of the Supreme Court and judges issuing final judgments were left outside of the disciplinary mechanism due to reticence to distinguish the disciplinary system from the review of cases in appeal or cassation. In addition, the number of submitted disciplinary complaints have decreased steadily between 2015 - 2018, from 1889 in 2015 to 1193 in 2018. The number of applied disciplinary sanctions has decreased as well, from an average of 16-19 between 2011-2014, to 5-4 in 2017-2018. The decrease in number of sanctions per year also coincides with the trend of decrease of transparency in the judiciary and the consolidation of the state capture, which could explain the inefficiency of the disciplinary system.

In 2018, a new wave of legislative amendments were adopted, meant to simplify the disciplinary procedure as well as improve the formulation of disciplinary offences. It still remains to be seen if the respective legislative amendments led to any effective changes in practice. The target remains thus very relevant for Moldova.

- Improved access to justice, in particular for women, children and the most vulnerable groups, and whenever civil rights or obligations are at issue or criminal charges are to be determined: Legal aid is provided in criminal and non-criminal cases. The current system provides two categories of legal aid: primary legal aid (advice on any matter except assistance with drawing procedural documents for courts), provided by paralegals and non-governmental organizations free of charge to any person and qualified legal aid (advice and representation in court), provided by qualified lawyers and non-governmental organizations to persons that meet the merits and means test. In case of detention, legal aid is provided immediately after arrest to any person that requests it (called urgent legal aid that includes advice and representation during the first 72 hours of detention, known elsewhere as police station advice).

The legal aid budget for 2018 constituted 0,57 EUR per capita, which, although below many EU member states, is a significant increase compared to the level of EUR 0.05 per capita in 2006, before the current legal aid system was introduced. However, there have not been any independent recent analysis or evaluation regarding the level at which the current legal aid system meets the legal aid needs of the population. The main challenge remains to ensure an adequate quality of services and covering the most vulnerable groups, in particular in remote areas. The new Government program includes a questionable activity, namely introducing a set number of procedural actions that could be undertaken by a lawyer during a week. Such measures could have a significant negative impact on the quality of legal aid services provided by lawyers. The target remains thus very relevant for Moldova.

- Comprehensive and effective training of the judiciary on judicial competences and ethics. Independent training institutions delivering initial and continuous training to the judiciary, in line with the EU standards and best practices: The National Institute of Justice is an independent institution providing initial and continuous training to judges and prosecutors, as well as other court staff. The Institute has strong guarantees of independence, being government by a Board composed of persons nominated primarily by judicial and prosecution self-governing bodies. The Institute has benefited since its creation in 2007 of significant assistance from Moldova's development partners. Each year, the SCM and the Superior Council of Prosecutors establish the number of candidate judges and prosecutors for initial training, which is implemented by the Institute. On average, there are 20 candidates accepted on a yearly basis. This number does not cover all vacancies, which are filled by candidates with relevant working experience. The Institute provides continuous training, based on a pre-approved curricula. There have not been published recent reports assessing the comprehensiveness and the effectiveness of the training provided by the Institute, which would be very useful given the overall judicial situation in the country. The target remains thus very relevant for Moldova.
- Substantial reduction of the backlog of civil and criminal cases and case disposition time and improved enforcement of judgements in civil and administrative cases as well as court

decisions' execution: According [to a recent analysis](#), Moldova does not face significant issues regarding the case disposition time. For example, according to 2016 data, the Moldovan courts examined all types of cases, in first instance, appeal and review, in just 259 days, which is approximately 2.8 faster than the average disposition time in the Council of Europe states. At the same time, there are problems with multiple postponements of court hearings and the quality of justice. The enforcement of court decisions in civil and administrative cases was significantly improved after the changes in the enforcement system of 2011-2013. However, there is still room for improvement and there are discussions regarding possible legislative changes to increase the accessibility of vulnerable groups to enforcement services, as well as improve the quality and organization of these services.

Key recommendations:

The European Union should:

- apply strict conditionalities for any support provided to the Republic of Moldova and maintain effective judicial independence and accountability as key conditionality for any such support;
- continue closely monitoring the level at which the Moldovan authorities show evidence-based improvements and fulfillment of the key short-term and medium-term priorities included in the EU-Moldova Association Agenda;
- support programs to allow direct engagement by the EU institutions with the judiciary in Moldova and support exchanges of good practices on merit-based recruitment systems, disciplinary and performance evaluation systems among representatives of the Moldovan judiciary and EU member states judiciaries.

The Republic of Moldova should:

- ensuring effective independence and accountability of judges shall remain a top priority for the Government;
- adopt a clear Government action plan that would clarify the Government's stand on approaches to justice sector reform and refrain from any interference with judicial independence and self-organization bodies;
- develop and adopt a comprehensive Justice Sector Reform Strategy for the next four years;
- amend the Law on the functioning of the Superior Council of Magistracy to provide for free and fair elections of judges members of the Council, as well as ensuring a better representation of the judicial system;
- amend the Constitution to remove the initial 5-year appointment of judges and the appointment of Supreme Court judges by the Parliament;
- request assistance from Moldova's development partners – the EU, EU members and the US – to assist the SCM and its affiliated bodies to review and improve the regulations regarding judicial selection and promotion, disciplinary and evaluation systems, as well as for conducting a comprehensive evaluation of the training provided by the National Institute of Justice on judicial competences and ethics;
- request assistance or commission an independent assessment regarding the level at which the legal aid system meets the population legal aid needs.

Deliverables 14 and 15 on energy efficiency and energy security



Source: www.timpul.md

Deliverable 14. Increase the Security of Energy Supply

I. Status quo:

- To follow-up on the Moldovan-Romanian (Iași-Ungheni) gas interconnection, construction of Ungheni-Chișinău pipeline has started and is expected to be finished before end of 2020. However, to technically enable the operability of the existing interconnector, the gas transmission grid must be consolidated on the Romanian side (Onești-Gherăești-Lețcani, and two compressor stations) – these works are scheduled to be finalized by the end of 2021. In the meanwhile, Gazprom has finalized the construction of the Turkish Stream pipeline, whereas Bulgartransgaz (Bulgaria), Transgaz (Romania), Naftogaz of Ukraine (then Ukrtransgaz) and Moldovatransgaz (Moldova) are finalizing implementation of technical measures which will enable reverse flow of natural gas on the TransBalkans Pipeline (TBP). Thus, it is expected that by December 31, 2019 over 12 million cubic meters of gas per day will be possible to supply to Ukraine (Orlivka station) and Moldova (Vulcănești), which is sufficient to cover the peak consumption in Moldova and the South of Odessa region of Ukraine (solely dependent on the supply from TBP). Therefore, there are no technical impediments for diversification of natural gas supply to Moldova: from Balkans through the reverse flow on TBP and from gas storage facilities in Bogorodchany (Western Ukraine) through the reverse flow on Ananiev-Chernivtsy-Bogorodchany pipeline (ACB).

- On the electric side, in order to enable the operability of Vulcănești (Moldova) – Isaccea (Romania) 400 kV interconnector, the Moldovan electricity transmission grid has to be consolidated by: (1) construction of Vulcănești-Chișinău 400 kV OHL; (2) Construction of a new 400-300-100 kV transformation station near Chișinău; (3) construction of a Back-to-Back station (300 MW as a first stage) in Vulcănești. Financing has been tentatively committed for all the above mentioned projects, but the works have not started yet and are expected to be finalized by 2023.
- National energy statistics has been aligned with EUROSTAT standards and the national energy balance now includes data on solid biomass consumption by households, estimation based on the agreed methodology.
- The national legislation has been amended to fully transpose the Third Energy Package (with the derogation from art.9 of Directive 2009/73/EC till 2020).

2. Key challenges:

- Neither the full transposition and implementation of the EU Directives, nor even the construction and operability of electricity and gas interconnectors will not be sufficient for establishment of a transparent and functioning energy markets in Moldova till the problem of "free of charge" gas being supplied to the Transnistrian region is resolved. Gazprom is de facto financing the Transnistrian authorities by insisting on preservation of the existing contract structure, where Moldovagaz (over 63% of shares being controlled by Gazprom) is imposed to supply gas to the Transnistrian region despite not receiving any payments. The total amount of arrears accumulated through enforcement of this contract scheme (since 1994) has reached almost 8 Billion USD. The Transnistrian authorities are using the de facto "free of charge natural gas" both as a source of financing their budget (over 35% during 2007-2016) and for production of electricity at subsidized costs³¹. Thus, while the Transnistrian region benefits of the de facto free natural gas, there's no practical way to create a competitive and transparent gas market. Moreover, since the largest electricity generation capacity in Moldova (MGRES) is located in the Transnistrian region and benefits of gas at heavily subsidized prices, no electricity supplier will be practically able to compete with them, making it impossible to create a transparent and competitive electricity market.
- The unbundling of supplier and transmission system operator for natural gas will not be finalized within the term provided by the derogation from art.9 of Directive 2009/73/EC granted to Moldova (January 1, 2020). Moreover, almost no progress has been made since the derogation was granted. The natural gas transmission grid is still on the balance sheet of Moldovagaz (incumbent supplier), and Gazprom is using the debts accumulated by Moldovagaz to obstruct the transmission of this infrastructure to the balance sheet of Moldovatransgaz (the main gas TSO). Without finalization of the unbundling process, it is practically impossible to enforce the change of existing

³¹ For details please see the study published by IDIS "Viitorul" think tank: <http://viitorul.org/files/Policy%20Paper%202017%20-%20Impunitate%20si%20%20intelelegeri%20rentiere%20sectorul%20energetic%20ENG%20II.pdf>

- contractual scheme, which secures supply of natural gas to Transnistrian region de facto free of charge (see the implications above).
- Despite legislative consolidation of the budgetary and institutional independence of the national energy regulator (ANRE), resignation of all members of the ANRE Administration Council at the end of 2018, as well as the selection process and appointment of the new Administration Council members in January-February 2019 stirs reasonable doubts on the real independence of ANRE from political decision makers. More doubts are fed by ANRE's failure to adjust electricity and natural gas tariffs in accordance with tariff methodologies and adjustment of timing for tariff revisions to the electoral agenda.

Deliverable 15. Enhance energy efficiency and improve the use of renewable energy, and to reduce Greenhouse Gas emissions

1. Status quo:

- All EU legislation pertinent to energy efficiency has been transposed in the national legislation, except for:
 - Regulation (EU) 2017/1369 on energy labelling (but Directive 2010/30/EU is transposed)
 - The Energy Performance of Buildings Directive (EPBD) 2018/844/EU being transposed partially.
- Energy labelling of equipment is in process of implementation
- All EU legislation pertinent to promoting the use of renewable energy has been transposed in the national legislation.
- After aligning the national energy statistics to the EUROSTAT standards and inclusion of estimated data on solid biomass consumption in the country's energy balance data, the share of renewable energy is being estimated at over 26% of all end user energy consumption, which is much above the target of 17% negotiated within Energy Community Treaty. However, specific targets on share of renewables in electricity (10%) and transportation (10% of liquid fuels) will not be met by 2020.

2. Key challenges:

- Despite major progress at legislative level, implementation of energy efficiency legislation is stagnating in all domains except energy labelling of equipment. It is mostly due to slow adoption of secondary legislation (Government Decisions, regulations, etc.) and insufficient capacities of the Energy Efficiency Agency (see details below).
- Capacities of Energy Efficiency Agency must be consolidated!.. As a result of the central public administration reform, the Energy Efficiency Agency (EEA) absorbed the Energy Efficiency Fund, becoming therefore the only central public authority responsible for implementation of energy efficiency policies. One of the most important functions of EEA is to develop and put in place a financing mechanism that would support implementation of energy efficiency policies. So far, the institutional experience of the absorbed Energy Efficiency Fund was limited to providing non-reimbursable financing (grants), the most complicated instrument used being co-

financing of projects in cooperation with other donors / financial institutions. In order to accelerate implementation of energy efficiency policies, EEA will have to learn to leverage the funds allocated through national budgeting mechanism to attract additional financing from external donors and financial institutions, as well as to develop the capacities to provide reimbursable funding (loans) and even more specialized financial products, like guarantees. This would require recruitment of highly qualified personnel, able to design and work with such financial products as well as ensure qualitative implementation of complex infrastructure investment projects. However, the staff of EEA has the status of public servants and can only be remunerated within the framework of the Law no.270/2018 on unified salary system in the budgetary sector, which makes the salaries of EEA staff too low for the level of qualifications required. The staff of the Energy Efficiency Fund (now absorbed by EEA) did not fall under these restrictions and had the possibility to receive decent remuneration. After being absorbed by EEA most of the staff related to the financing mechanism left the institution and EEA is currently struggling to fill in even the existing vacancies, not to speak about bringing in more qualified personnel able to work with more sophisticated financial products than grants. Thus, EEA's low institutional capacity is jeopardizing the entire process of implementation of energy efficiency policies in Moldova.

- On the promoting use of energy from renewable sources, the main challenges are also at implementation level. Despite the fact that the relevant Law entered into force in March 2018, till present only one of three support mechanisms provisioned by the Law is implemented – the “net-metering” mechanism allowing consumers to become prosumers. The other two mechanisms, for larger capacities (Feed-in-Tariffs and Guaranteed Prices) are still not enforced, because the secondary legislation meant to put them in application is still pending on behalf of ANRE and Government.
- On the use of renewable energy in transportation (target for 2020 being at 10% of liquid fuels), not only there is no support mechanism provisioned in the Law, but even the mechanism for data collection and reporting of the existing share is not functioning properly. This specific objective has been largely ignored by authorities.

Key Conclusions and Recommendations:

- The “20 deliverables for 2020” format is not widely used in the Republic of Moldova, mainly because the country has a much more comprehensive monitoring and reporting format related to implementation of its Association Agreement with EU. Moreover, for the energy sector, even more specific obligations derive from obligations assumed under the Energy Community Treaty.
- Generally, Moldova has progressed well with transposition of the EU legislation, but is struggling with implementation on all dimensions – from creation of a functional and transparent market to implementation of projects in the realm of energy efficiency

- and renewable energy. In order to foster implementation of adopted policies, the institutional framework has to be consolidated, including: the problem of competitive salaries for public servants has to be addressed (relevant for the Ministry of Economy and Energy Efficiency Agency), and de facto independence of ANRE has to be ensured.
- A fundamental obstacle for developing functional energy markets lies in the sphere of contractual scheme for natural gas procurements from Gazprom and delays in implementation of unbundling in the gas sector. These two factors enable supply of natural gas to the Transnistrian region de facto for free and therefore make it impossible for Moldova to build transparent and functioning natural gas and electricity markets.

Deliverables 15 and 16 on environment and climate change



Source: National Environmental Center, pollution of rivers in Chisinau municipality

Deliverable 15 aims at supporting the preparation of national midcentury, long-term low greenhouse gas (GHG) emission development strategies, as well as the establishment of national emissions monitoring, reporting and verification.

Deliverable 16 foresees improving water resources management and trans-boundary cooperation, mainstreaming environmental goals, into development and sectoral policies and plans, developing sounder environmental governance, enhancing environmental awareness, improving the sustainable management of key natural resources and promoting climate change resilience. The EU environmental legislation, notably the Water Framework Directive (WFD) will serve as benchmark for actions which will lead to improved health and quality of life of citizens; stronger resilience based on preserved ecosystem services, including through a pan-European network of protected areas; new economic opportunities, including green jobs and higher revenue; higher productivity following a better use of materials in production processes with relevant indicators coming closer to world average; the establishment of the necessary policy and regulatory frameworks to achieve gains of up to 2% of GDP in terms of avoided premature deaths and related economic costs stemming from environmental pollution and adverse impacts of climate change. Measures tackling illegal logging and actions to promote the rational exploitation

of resources in the Black Sea will strengthen the sustainable management of valuable natural resources and help Partner Countries benefit economically from more sustainable exploitation.³²

The Republic of Moldova has signed the Association Agreement which includes Chapter 16 on Environmental Protection and Chapter 17 on Climate Change³³. According to it:

- The Parties shall develop and strengthen their cooperation on environmental issues, thereby contributing to the long-term objective of sustainable development and greening the economy. It is expected that enhanced environment protection will bring benefits to citizens and businesses in the Republic of Moldova and in the European Union, including through improved public health, preserved natural resources, increased economic and environmental efficiency, integration of the environment into other policy areas, as well as use of modern, cleaner technologies contributing to more sustainable production patterns. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit, as well as taking into account the interdependence existing between the Parties in the field of environment protection, and multilateral agreements in the field.
- Cooperation shall aim at preserving, protecting, improving, and rehabilitating the quality of the environment, protecting human health, sustainable utilization of natural resources and promoting measures at international level to deal with regional or global environmental problems, including in the areas of: (a) environmental governance and horizontal issues, including Environmental Impact Assessment and Strategic Environmental Assessment, education and training, environmental liability, combating environmental crime, transboundary cooperation, access to environmental information, decision-making processes and effective administrative and judicial review procedures; (b) air quality; (c) water quality and resource management, including flood risk management, water scarcity and droughts; (d) waste and resource management and shipment of waste; (e) nature protection, including conservation and protection of biological and landscape diversity; (f) industrial pollution and industrial hazards; (g) chemicals; (h) noise pollution; (i) soil protection; (j) urban and rural environment; (k) environmental fees and taxes; (l) monitoring and environmental information systems; (m) inspection and enforcement; (n) eco-innovation including best available technologies.
- The Parties shall, inter alia, exchange information and expertise; implement joint research activities and exchange of information on cleaner technologies; plan the handling of industrial hazards and accidents; implement joint activities at regional and international level, including with regard to multilateral environment agreements ratified by the Parties, and joint activities in the framework of relevant agencies, as appropriate. The Parties shall pay special attention to transboundary issues and regional cooperation. Article 89 The cooperation shall cover, among others, the following objectives: (a) development of an overall strategy on environment, covering

³² 20 Deliverables for 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_20_deliverables_for_2020.pdf

³³ Association Agreement between the European Energy Community and the European Atomic Energy Community and their Member States, of the one part and the Republic of Moldova, of the other part, Chapter 16 and 17 https://gov.md/sites/default/files/document/attachments/7048451_en_acord_asociere.pdf

planned institutional reforms (with timetables) for ensuring implementation and enforcement of environmental legislation; division of competence for the environmental administration at national, regional and municipal levels; procedures for decision-making and the implementation of decisions; procedures for the promotion of the integration of the environment into other policy areas; promotion of green economy measures and eco-innovation, identification of the necessary human and financial resources and a review mechanism; and (b) development of sector strategies on air quality; water quality and resource management; waste and resource management; biodiversity and nature protection; industrial pollution and industrial hazards and chemicals, noise pollution, soil protection, urban and rural environment, eco-innovation including clearly defined timetables and milestones for implementation, administrative responsibilities, as well as financing strategies for investments for infrastructure and technology.

- The Parties shall develop and strengthen their cooperation to combat climate change. Cooperation shall be conducted considering the interests of the Parties on the basis of equality and mutual benefit and taking into account the interdependence existing between bilateral and multilateral commitments in this field. Article 93 Cooperation shall promote measures at domestic, regional and international level including, in the areas of: (a) mitigation of climate change; (b) adaptation to climate change; (c) carbon trading; (d) research, development, demonstration, deployment and diffusion of safe and sustainable lowcarbon and adaptation technologies; (e) mainstreaming of climate considerations into sector policies; and (f) awareness raising, education and training. Article 94 The Parties shall, inter alia, exchange information and expertise; implement joint research activities and exchanges of information on cleaner technologies; implement joint activities at regional and international level, including with regard to multilateral environment agreements ratified by the Parties, and joint activities in the framework of relevant agencies, as appropriate. The Parties shall pay special attention to transboundary issues and regional cooperation. Article 95 The cooperation shall cover, among others, the development and implementation of: (a) an overall climate strategy and action plan for the long-term mitigation of and adaptation to climate change; (b) vulnerability and adaptation assessments; (c) a National strategy for adaptation to Climate Change; (d) a low-carbon development strategy; (e) long-term measures to reduce emissions of greenhouse gases; (f) measures to prepare for carbon trading; (g) measures to promote technology transfer on the basis of a technology needs assessment; (h) measures to mainstream climate considerations into sector policies; and EN 43 EN (i) measures related to ozone-depleting substances.

While the Association Agreement sets a clear and comprehensive framework of aligning the environmental legislation to the 23 EU Directives in the field of environment and 4 EU Directives in the field of climate change, the Deliverable 16 from 20 Deliverables towards 2020 only mentions a wish list of expected results without clear indicators and a timeframe on how those deliverables could be achieved within the 3 years of the agreed time frame of the 20 Deliverables implementation towards 2020.

Deliverable 16 mentions the following results to be achieved until 2020:

- water resources management and trans-boundary cooperation
- mainstreaming environmental goals, into development and sectoral policies and plans
- sounder environmental governance
- enhancing environmental awareness
- improving the sustainable management of key natural resources
- promoting climate change resilience
- including through a pan-European network of protected areas
- new economic opportunities, including green jobs and higher revenue, higher productivity following a better use of materials in production processes with relevant indicators coming closer to world average
- the establishment of the necessary policy and regulatory frameworks to achieve gains of up to 2% of GDP in terms of avoided premature deaths and related economic costs stemming from environmental pollution and adverse impacts of climate change
- measures tackling illegal logging and actions to promote the rational exploitation of resources in the Black Sea will strengthen the sustainable management of valuable natural resources and help Partner Countries benefit economically from more sustainable exploitation

Environmental legislation of RM was aligned to the EU legislation in the field of water resources management, namely to the EU Water Framework Directive. The new Law on Water entered in force on October 26, 2013, which introduces a new approach in the field of water resources management – integrated water resources management.

Transboundary cooperation was very needed in terms of managing transboundary water courses with Ukraine and Romania. In 2016, an agreement on rational use of Dniester river was signed between Moldova and Ukraine which led to setting up a Moldo-Ukrainian Commission on a rational use of Dniester river. The Commission meets at least once a year, 2 meetings were held until the end of 2019. It puts into discussion the disputed issue of Novodnistrovsk hydropower plant built on the territory of Ukraine which according to the Moldovan side, impacts the volume of water resources in the Dniester river, which is a basic source of drinking water for the 2/3 of the Moldovan population. The operation of the Commission is supported by the [GEF / UNDP/ OSCE/ UNECE project “Enabling transboundary co-operation and integrated water resources management in the Dniester River Basin”](#), implemented by Ukraine, which will develop also a Transboundary Diagnostic Analysis and a Strategic Action Plan for Dniester river. Moldova in turn, will develop a study on environmental impact assessment which will help figure out how much water resources Moldova needs for various purposes from Dniester river (drinking purposes, irrigation, industrial activities, aquaculture etc.) with the support of the Swedish Government. The study will be ready in summer 2020, as well as the TDA and SAP will be ready in 2020.

Environmental impact assessment and Strategic environmental assessment are the instruments of mainstreaming environmental goals, into development and sectoral policies and plans are included in the new legislation adopted within the Association Agreement and namely the Law on Environmental Impact Assessment from 2014 and the Law on Strategic Environmental Assessment from 2017. It is important to mention, that, even the new legislation was adopted,

which was aligned to the EU legislation, still those new laws are not respected in Moldova. Additional capacity building and institutional strengthening needs to be carried out to make those laws operational.

There are 2 EU Programmes which were launched to help EaP countries to implement the Deliverables related to environment and climate change. Those are EU4 Environment and EU4 Climate Programmes. These are building capacities of the main stakeholders in the field of EIA and SEA implementation, resilience to climate change, prevention of illegal logging, improvement of management of protected areas and greening the economic sector in the EaP countries. EUWI + project foresees the implementation of integrated water resources management according to the EU Water Framework Directive. Still, the Association Agreement contains more engagements in these fields, thus the Republic of Moldova, by implementing the Association Agreement, needs to develop an Action Plan which sets up terms of implementing each article from the Association Agreement. The Action Plan contains the description of the task, the activities which will be performed, the term of execution of the tasks and the responsible parties. Thus, if the EUWI+ is meant to strengthen integrated water resources management in the EaP countries by helping the EaP countries to develop River Basin District Management Plans, the EU-MD Association Agreement comes with more engagements in this field. The Action Plan for 2017-2019, developed for the implementation of the Association Agreement foresees the following tasks to be implemented on the implementation of integrated water resources management:

- EU Water Framework Directive 2000/60/CE (- adoption of national legislation and setting up a competent authority; - identification of hydrographical basin districts and setting up management measures for rivers and lakes; - analysis of characteristics of river basin districts; - setting up programs of water quality monitoring; - development of river basin district management plans, holding public consultations and publishing the plans)
- Carrying out the institutional strengthening of structures, subordinated to the Ministry of Agriculture, Regional Development and Environment, responsible for integrated water resources management
- Directive 91/271/CEE on urban waste water treatment; - adoption of national legislation and setting up the competent authority; - evaluation of situation on collection and treatment of urban waste waters; - identification of regions and sensitive agglomerations; - development of a technical and investment program to implement the requirements on waste water treatment
- Directive 2007/60/CE on evaluation and management of flood risks: - adoption of national legislation and setting up the competent authority; - undertaking preliminary floods evaluation; - development of risks maps on floods and alerts maps on floods; - developing plans on floods risk management
- Directive 91/676/CEE on water protection against pollution with nitrates from agricultural sector: - adoption of legislation and setting up the competent authority; - developing monitoring programs; - identifying waters affected by pollution and the waters with potential risk of pollution and developing a map with regions vulnerable to nitrates; - setting up action programs and codes of conduct on good agricultural practices in vulnerable regions

Conclusions

- Deliverables towards 2020 do not contain the whole list of engagements of the EaP countries which signed the Association Agreements and who are obliged to implement it
- 20 deliverables for 2020 do not have indicators of implementation, so it is impossible to measure the progress achieved in implementing one or another deliverable
- Next deliverables should contain indicators, terms of implementation, the responsible parties and those should be more helpful and offer more instruments for the countries with Association Agreements on promoting the implementation of AA. This would differentiate deliverables for AA countries and non-AA countries. Multilateral framework gave the possibility for the 3 countries to sign the AAs, it should give more instruments for the AA countries to implement the agreements.
- Next deliverables should promote the implementation of the environmental legislation which is adopted within the Association Agreement, which is still highly neglected
- Institutional strengthening should be a core activity of the next deliverables in the field of environment
- Soft measures such as environmental contests, similar to EU GREEN CITIES awards and LIFE awards should be launched in the EaP countries, in order to raise the environment and climate change in the governmental agenda of the EaP countries
- Cross-cutting deliverables such as civil society participation and strategic communication should be tackled properly while implementing deliverables on environment and climate change
- It is recommended to include Climate change as a cross-cutting deliverable in the next cooperation framework between the EU and EaP countries
- Illegal logging is a serious issue in the EaP countries, which needs more attention and financial instruments in the next years

Source: National Platform of EaP CSF: Planting campaign of 2019 with the National Platform of EaP CSF



Deliverable 18 on investment in young people's skills, entrepreneurship and employability



Source: MilleniuM Training and Development Institute

Deliverable 18 is focused on investment in **young people's skills, entrepreneurship and employability** will be substantially strengthened, with a particular focus on leadership, mobility and quality of formal and non-formal education.

Target by 2020:

- Along with Civil Society Fellowships for youth, partnerships for Entrepreneurship and transnational cooperation projects implemented, with 100 youth organisations and organisations addressing youth issues to reduce mismatches and increase labour skills.
- Over 1 200 bilateral projects among Higher Education Institutions and 110 capacity building projects carried out.
- Over 20 000 mobility opportunities in the field of education.
- Around 350 Erasmus Mundus Joint Master Degrees full scholarships awarded.
- Over 3 000 projects, 2 600 teachers and 1 000 schools connected via eTwinning Plus24.
- Improved quality and relevance of education systems, modernised teaching methods and reinforced employability of graduates.

- Progress in adoption and effective implementation of legislation and policies in line with the European Higher Education Area and Bologna principles.
- Increased internationalisation and excellence of higher education systems in Partner Countries.
- Over 60 000 young people and youth workers from Partner Countries took part in Erasmus+.
- Partner Countries' youth benefits from facilitated inter-cultural dialogue and increased employability and civic skills.
- Enhanced openness/inclusiveness in EU-Partner Countries cooperation.
- Partner Countries reduce youth unemployment and NEETs rates.
- Partner Countries develop employment and transition strategies and skills- development actions.
- Enrolment in vocational education and training is increased.
- The percentage of vocational education and training graduates in employment or further study after six months is increased.
- Reduced mismatch between skills and labour market demands

Achievements by 2018:

The **Erasmus+** programme provides mobility opportunities to young people and youth workers from Partner Countries in the formal and non-formal educational sector.

During the period of 2014-2018 *Erasmus+ for Higher Education in Moldova* achieved the following results:

- International Credit Mobility (ICM)
 - 400 cooperation projects
 - 2500 academic mobilities for students and staff
 - 100% mobility absorption rate
 - 68% outgoing mobilities
 - 32% incoming mobilities
- Jean Monet Activities (JMA)
 - 17 projects
 - 5 support for associations
 - 1 centre of excellence
- Capacity Building in Higher Education (CBHE)
 - 17 projects
 - 4 CBHE projects coordinated by Moldova
 - 86 participations of Moldovan institutions
 - 4 Structural CBHE projects
 - 6 National CBHE projects
- National Erasmus+ Office in Moldova
 - 250 public events

- 70 CBHE & Tempus monitoring visits
- 1 HEREs Seminar in Moldova
- 2 Institutional monitoring
- 20 ICM monitoring visits
- 15000 people met
- 5000 Facebook followers

During the period of 2014-2017 *Erasmus+ for Youth in Moldova* achieved the following results:

- KAI - Volunteering Projects
 - 57 sending activities
 - 72 learners from Moldova were included in volunteering projects in EU
 - 375527.00 Euro budget for sending young people in Volunteering Projects
 - 84 Hosting activities
 - 137 learners from EU were hosted in volunteering projects in Moldova
 - 486526.00 Euro budget for hosting young people in Volunteering Projects
- KAI - Youth Exchanges
 - 137 Sending activities
 - 1050 learners from Moldova were sent in Youth Exchanges in EU
 - 47883.00 Euro budget for sending young people in Youth Exchanges
 - 22 Hosting activities
 - 1041 learners from EU were hosted in youth exchange in Moldova
 - 537707.00 Euro for hosting young people in Youth Exchange
- KAI - Youth Workers Mobility
 - 367 Sending activities
 - 1044 learners from Moldova were sent in Youth Workers Mobility projects in EU
 - 728624.00 Euro budget for sending youth workers in Youth Workers Mobility projects
 - 38 Hosting activities
 - 1135 learners from EU were hosted in Youth Workers Mobility projects in Moldova
 - 781916.00 Euro budget for hosting youth workers in Youth Workers Mobility projects

In 2017 in the framework of *Erasmus+ programme* was opened Eastern Partnership Youth Window which allowed Youth Organizations from Eastern Partnership to apply for KA2 projects – Capacity Building for Youth. During the period of 2017-2019 *Erasmus+ Eastern Partnership Youth Window* achieved the following results:

- In 2017 3 projects from Moldova were supported with the total budget of 182845.43 Euro
- In 2018 6 projects from Moldova were supported with the total budget of 631427.42 Euro

- In 2019 3 projects from Moldova were supported with the total budget of 414829.81 Euro

In 2017 SALTO Eastern Europe and Caucasus opened in Eastern Partnership countries a network of Info Centres for Erasmus+ Youth and European Solidarity Corps in order to promote Erasmus+ Youth and European Solidarity Corps programmes in the region. During the period 2017-2019 Info Centre in Moldova for Erasmus+ Youth and European Solidarity Corps achieved the following results:

- 5 Trainings for youth organizations
- 70 public events
- 384 youth organizations were consulted
- 438 projects opportunities were promoted
- 3150 Facebook followers identified
- 10000 people met

The Young European Ambassadors network became very popular and visible in the Eastern Partnership region (including Moldova) and generated many promotional and informational activities for young people, including in rural areas.

Key challenges:

The implementation of the 2014 Education Code and the Education Development Strategy for 2014-2020 remained incomplete in 2019. After strong anti-corruption measures which were introduced for the baccalaureate exam in 2013, a steady increase in results (success rate and overall marks) has been observed. The new National Anti-corruption Strategy, adopted in 2018, includes measures to fight against academic fraud. Some significant fraud cases and corruption schemes were revealed, mainly in higher education, and prosecutions are ongoing. The process of significant curricular changes started, in particular by introducing more technological and personal development aspects in primary and secondary schools.

The government took measures to make the teaching careers more attractive. In 2018, salaries further increased (by about 8%) and incentives in terms of bonuses and support for training were introduced. However, the efficiency of those measures needs to be assessed.

The foundation of a modern and effective vocational education and training (VET) system have been built, based on the 2013-2020 VET Strategy. The independent evaluation of the Strategy's implementation is still to be finalized and the new Strategy was developed and adopted. The dual VET system witnessed an increase in success, as an effect of better regulations regarding the participating companies. However, some shortcomings remain to be addressed, such as the weak status and capacities of the Republican Centre for the Development of VET and the need to ensure a link between the private sector and the VET system. Existing sectoral committees are not functioning despite state support and a number of economic sectors are not covered. Alternative solutions are under discussion.

The independence of the National Agency for Quality Assurance in Education and Research, which has replaced the Agency for Quality Assurance in Professional Education, must be ensured. The Agency must focus on the quality structures of the education system and its supporting institutions.

A decisive improvement in higher education system is still awaited. Streamlining the network of public higher education institutions is envisaged in the medium term. Links between education, research and the labour market are to be strengthened.

The implementation of National Strategy on Developing Youth Sector 2020 is necessary which defines priorities of developing youth policy in Moldova. One of the positive aspects is Grants Programme for the Youth Organizations which provides the possibility at national level to apply for funds and implement projects in youth field. The Youth Law adopted in 2016 planned to create the National Agency for Programs Development and Youth Work, which will be responsible for the implementation of youth policy in the country. But because of the political instability and changes of the government till today the National Agency for Programs Development and Youth Work was not created. This is why it is difficult to measure the tangible results in achieving deliverable I8.

The instruments such as Erasmus+ are very important for students' exchange and mobility but do not provide means for (non-quantitative) assessment of the implementation of 2020 targets. The harmonization of education systems and of the labour markets requires more attention to the legal and economic conditions, in which such mobility is taking place.

Even the results of Erasmus+ programme are very visible in numbers, still, there is some limitations, because for the Eastern Partnership Youth Window KA2 projects only big youth organizations may apply, which have capacity to implement big projects and also contribute with budget of 20% for the capacity building activities. This creates obstacles for small youth organizations to be involved in the programme. Also, in 2020, Eastern Partnership Youth Window will not be more available and will not give anymore the possibilities for the youth organizations from Eastern Partnership (including Moldova) to apply or be a partner in Erasmus+ KA2 projects.

The EU4Youth initiative gives opportunities for fostering youth leadership and entrepreneurship but the reality shows that in the Republic of Moldova the majority of youth organizations don't know about this program and the possibilities to apply for projects.

Key recommendations:

- To improve the visibility of the EU4Youth programme by organizing promotional and informational activities at national level and explain how youth organizations in Eastern Partnership regions (including Moldova) could benefit from the program.
- To plan in the new Erasmus+ programme for 2021-2027 the possibility to continue Eastern Partnership Youth Window and provide opportunities for youth organizations to be applicants not only for KA2 projects but also for KA1 projects.
- To initiate discussions with the government in order to support the "new deal" for youth proposed by France, Germany, Poland, the Netherlands and Sweden. (For example -

Launch of an “Eastern lab” for young leaders or entrepreneurs; expand the participation of the Eastern Partnership countries in relevant EU initiatives and programs, establish Regional youth cooperation office for Eastern Partnership, in the framework of the future EU cooperation instrument for neighborhood countries etc.).

- To strengthen the role of SALTO Eastern Europe and Caucasus Resource Centre in cooperation with the government institutions responsible for youth policy in order to keep on track all the efforts which are made by EU in the Eastern Partnership region (including Moldova) in the youth field.
- To support government in the establishment and development of the National Agency for Programs Development and Youth Work.



Source: MilleniuM Training and Development Institute

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of KMOP and do not necessarily reflect the views of the European Union.



This project is funded
by the European Union



A project implemented by
a KMOP led Consortium

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