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NEWSLETTER

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Synthesis and Foreign Policy Debates

The materials are realized by Lina Grau, foreign policy expert and programme coordinator with APE.

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The last period was marked by a series of important events for the Republic of Moldova



President Igor Dodon said in an interview with DW that he has objections to the Free Trade Agreement with the EU and insists on revising some chapters. "We have opened our market for the European goods and domestic producers cannot compete. In the case of some 6-7 agro-industrial groups of goods, let us return to the asymmetric trade", Igor Dodon said.



The EU Delegation, the EU Member States and Switzerland presented a Joint Development Cooperation Strategy to the Moldovan Government, covering areas such as economic development, social protection, strengthening of democratic institutions and the rule of law, as well as energy efficiency.



Following talks on the progress of the Republic of Moldova, the EU Council concluded that three areas - the electoral system, the freedom of the press and the fight against corruption - still require urgent reforms. In its Conclusions, containing 27 points, the EU Council says "while the steps already taken by Moldova are recognized, the Council emphasizes the crucial importance that the reforms started in 2016 should continue and be implemented." Before the elections, the Council expresses its regret that the new electoral law does not take into account key recommendations made jointly by the Venice Commission and the OSCE, recalling that transparent, comprehensive and credible local and central elections are of crucial importance.



Commenting on the EU Council Conclusions, the Deputy Prime Minister Iurie Leanca highlighted the fact that the EU had reaffirmed its support for the Republic of Moldova. Parliament Speaker Andrian Candu said the European partners "recognize the substantial legislative effort made in the last two years by the Republic of Moldova, while outlining key perspectives in the country's relationship with the EU." The opposition emphasized the EU criticism. Andrei Năstase, leader of the DA Party, said that "the EU Council Conclusions definitively dispel the myths that the Plahotniuc-Filip government is manipulating the citizens about the so-called "citizen-friendly reforms". At the same time, the PAS leader Maia Sandu wrote on Facebook that the government received a "tough warning" from the EU foreign ministers.



The EU-Moldova civil society platform that met on 6 March in Brussels, notes in a 58-point statement that the implementation speed of the Association Agreement is "quite low", calling on the European institutions to continue to monitor and impose strict conditions on the Moldovan authorities. The members of the Platform expressed concern regarding the inefficiency of the bank fraud investigation, but also about the fact that the anti-corruption mechanisms are becoming "less independent".

European Assistance for the Republic of Moldova



de Lina Grău

In 2017, for the first time, the EU introduced a set of political conditions for the provision of its financial assistance to the Republic of Moldova. The most important one refers to the observance of democratic standards in the implementation of the mixed electoral system adopted by the Chisinau authorities despite the protests of the opposition and the civil

society and of the critical recommendations of the Venice Commission and the OSCE /ODIHR.

According to the Government, 76 programmes of external donors, with a total budget of EUR 378.5 million, are in progress in the Republic of Moldova.

Representatives of the government led by the Democratic Party have repeatedly said that the

foreign assistance has nothing to do with the political preconditions of the EU and that the authorities have fulfilled all commitments for the allocation of the first tranche of the 100 million euro macro-financial assistance agreed with the EU. The loan involves three instalments and 28 conditions. For the first tranche of 30 million euros, Chisinau has to fulfil 10 commitments.

The head of the EU Delegation to Chisinau, Peter Michalko, says should the Republic of Moldova fails to meet the political preconditions related to the observance of democratic principles in the implementation of the electoral system, it is running the risk of losing the tranches of the European assistance. He said there is no fixed date yet for the release of instalments.

“If the assessment of the first ten preconditions that is now taking place is positive, the first instalment could come in the first half of the year,” Michalko said at a press conference held on the occasion of his first six months in office.

Peter Michalko: „Our position remains unchanged - the Republic of Moldova did not respect the joint recommendations of the Venice Commission and OSCE/ ODIHR. This is the reason why conditionality has been introduced. We are aware of the shortcomings in the electoral process in the past – these refer to the financing of parties and campaigns. In addition to these, another set of issues is being now evaluated.

These recommendations of the Venice Commission and the OSCE /ODIHR should be seen as a list of potential risks in the election process. And the risks relate to how people will or will not be able to run freely, whether or not they will have free access to the media as candidates, whether or not there is a risk that the candidates will be influenced, in particular in the uninominal constituencies, by economic or other interests. There exist other recommendations that haven't been followed - the electoral threshold for parties, and others.

The risk for the Republic of Moldova is that if it fails to meet these political preconditions for democratic standards in the electoral process, it may lose the macro-financial assistance instalments that may not be paid.”

The Head of the EU Delegation to Chisinau underlined that the way in which the democratic standards in the electoral process will be respected, including during the pre-electoral period, will be decisive for the future development of the relations between the Republic of Moldova and the EU.

Peter Michalko: The conditions agreed with the EU should be fulfilled



In an exclusive interview, the head of the EU Delegation to Chisinau, Peter Michalko, elaborated on the European assistance to the Republic of Moldova. I asked him at first about the volume of the EU's assistance to Chisinau

■ **Peter Michalko:** If we talk about the volume of per capita assistance, the Republic of Moldova receives the greatest assistance from the EU in the countries we provide assistance.

The volume of bilateral assistance since 2009 accounts for 500 million euros. The amount exceeds one billion if we take into account also the cross-border co-operation funds which are part of the regional programmes that the Republic of Moldova is also eligible for. In addition, there exist development programmes from the EU countries.

There is also an important investment portfolio coming from both the European Investment Bank and the European Bank for Reconstruction and Development, which currently has a potential of €800 million, which can be used to improve infrastructure, strategic investments in the country's development, being a combination of grants and loans provided under very advantageous conditions.

With regard to the current framework

of bilateral assistance, in the period of 2014- 2020, between 610 and 740 million euros were planned. And it depends on the Republic of Moldova – if it is able to absorb these resources it can benefit from the maximum amount.

A number of years have passed since this period, and in the autumn of last year these amounts have been revised. At present, an amount between 284 and 348 million euros is available for the remaining period until 2020.

■ **Lina Grâu:** As for the assistance of 100 million euro that is now being discussed in the Republic of Moldova about, last year, the element of political conditionality appeared that did not exist previously. Why did this happen?

■ **Peter Michalko:** The macro-financial assistance is in addition to the amounts I've mentioned above. The need for this assistance came after the Republic of Moldova faced the financial crisis and the bank fraud in 2014. Consequently, there was need to restore stability and confidence in the banking and economic system.

This amount was linked to certain conditions that are needed as reforms to ensure future stability and credibility. And here we are talking about 28 conditions that are rather

sectoral or technical in nature. They refer to the quality and independence of the justice sector and the stability of the banking sector.

However, in the context in which in 2017 the issue of democratic standards regarding the changes in the electoral legislation appeared in the dialogue between the Republic of Moldova and the EU, there have been introduced also preconditions for compliance with the democratic standards and a multiparty and pluralistic political system, respect for human rights and freedoms, especially freedom of the press and particularly in the implementation of electoral law. Because, according to the EU, the recommendations of the Venice Commission and the OSCE/ ODIHR regarding the nature of changes in electoral law have not been respected.

■ **Lina Grău:** How tough, or on the contrary, flexible will the EU be when assessing these 28 requirements for the entire assistance or the 10 requirements for the first tranche?

■ **Peter Michalko:** The conditions have to be fulfilled. It is not possible to get the money without meeting them. We've seen that in the case of budget support for the justice sector the money was not paid because the necessary reforms were not made.

And also in this case we will be very attentive and I think this is, in the first place, to the interest of the Moldovan citizens who are waiting for the development possibilities that these reforms are going to create.

■ **Lina Grău:** Speaking about the 10 conditions for the first tranche, how do you assess the progress in their realization?

■ **Peter Michalko:** Several laws that have been agreed have been adopted. Now, it is important that the establishment of agencies or state institutions, which is part of these 10 conditions, become a reality. I refer here especially to the National Integrity Agency. These measures must be supported not only by legislation, but also by providing the necessary budget and staff. Otherwise, these institutions are not going to be functional.

■ **Lina Grău:** Speaking about the preconditions for the electoral system, what is the mechanism by which you will be

monitoring the process? It is a lasting one as the elections will take place in autumn, while the first instalment is said to be possible before the elections.

■ **Peter Michalko:** The democratic standards mentioned in Article 14 of the Memorandum of Understanding signed between the EU and the Republic of Moldova are acknowledged and monitored not only by us, being specific to countries that want to be recognized as democratic. But above all, it is about respecting these commitments in real life.

If we talk about the independence of justice, we also talk about people's right to run in elections, or about equal access of candidates to media. All these are examples of things that are going to be monitored.

There is also a set of recommendations that have been made by the OSCE after the past elections which haven't been resolved - for example, the financing of electoral campaigns and parties. And the recommendations of the Venice Commission are not just recommendations, but also a list of potential risks related to the electoral process.

There are very concrete things that will be monitored as risk factors. The possibility of influencing the candidates in the single-mandate constituencies by economic or other interests is very clearly underlined. An important aspect here is freedom of the press, because especially, but not only, in an electoral year, the role of independent and free press in informing citizens is a key one.

■ **Lina Grău:** Why, in your opinion, is so much discussion about this macro-financial European assistance? Is this a large sum for the Republic of Moldova, or what is actually at stake?

■ **Peter Michalko:** Perhaps it is a topic that has to do with the real interests of the people. It is about the measurement by independent observers of the status of the political system and of the observance of democratic standards given the quite tensed political process. For this reason the citizens express an interest in having an independent evaluation.

What is important is to talk more specifically about phenomena that are not very

positive not only when we talk about the EU assistance. We need to talk about real improvement and about eliminating these negative phenomena. But we also need to talk about a new quality of political culture in the electoral process that would provide the Moldovan citizens with the certainty that their rights are respected and that a political process in which they have the decisive word is the one that will lead to the solutions that they await.

I think it is to the interest of both the political sphere and the citizens to make a step towards the future and leave this political culture of the dossiers and pressures on people in the past. In this regard, we have recently made a public appeal to the Moldovan political forces to stop these practices. In the last 10 years, if we look at the political sphere, each of the political forces was in a situation where it was a victim of such practices.

So, I think it is also important for the future to have this commitment from the political forces and to introduce this new quality in the political process in the Republic of Moldova.

■ **Lina Grău:** You mentioned at the press conference that the trade of the Republic of Moldova with the EU is growing. On the other hand, it was a recent comment by President Igor Dodon that the trade with the EU is not going as well as it was estimated and that the Republic of Moldova is suffering damages therefore should reorient itself towards the Russian Federation. How are the things actually?

■ **Peter Michalko:** I'm not going to enter into polemics with the views of the president. We look at the concrete results of the Association Agreement, which includes the Free Trade Agreement and which opened the European market for the Moldovan exports. This agreement will open up this market even further, once the sanitary and phytosanitary standardization processes are completed.

Until now, 66 percent of Moldova's exports are oriented towards the European market. Many of these products also come from the agrifood sector and are well received by the European consumers. And that speaks for the fact that the potential is still very high.

Editorial

A Victory à la Pirus

by Victor Chirilă, chairman
of the Foreign Policy Association



At the same time, we welcome increases in Moldovan exports to any other market. And we hope that together with the introduction of the standards set by the Free Trade Agreement, Moldova's exports on the other markets will also grow - to Eastern Europe, to Russia, to Asia, to North America and other markets. Because the standards that the products from the Republic of Moldova reach with our support are the best in the world.

I also want to say that it is a good thing for every country to come up with investments that bring jobs and added value, and open up industrialization sectors in the country, giving the Republic of Moldova the opportunity to develop as a modern country and as a participant in the global economy.

There is a book by Thomas Friedman- "The Lexus and the Olive Tree"- which talks about countries moving from traditional sectors to a modern global market, and about modernization of countries. I think the Republic of Moldova finds itself at a stage that other Central European countries have already been into during the EU association phase. They have modernized, industrialized and are now strong economies. They have kept their traditional sectors, but have developed also new sectors that have brought them prosperity.

I am sure that by using all the possibilities offered by the Free Trade Agreement and by implementing appropriate reforms - and I would like to emphasize here the justice sector, which needs to be reformed in order to attract investors - the Republic of Moldova can go on the same way as the other countries have been on, while deepening their relationships with traditional markets and developing traditional products.

We are assured that through our assistance we will help the Moldovan society to reach the European standards. This also includes the infrastructure, the development of civil society and also development of standards in the economic and technical fields. So, modernization is a complex process and has to be based on the values we have included in the Association Agreement. This is a basis for the progress and stability of the society, including the open thinking that leads to this progress.

On February 26, the European Union made public the Conclusions of the Foreign Affairs Council on the relations with the Republic of Moldova. The conclusions represent an up-to-date radiography of the EU partnership with our country. Despite the many shortcomings highlighted by the EU Council regarding the implementation of the commitments undertaken by the Republic of Moldova under the Association Agreement, the Moldovan authorities have met these conclusions with great satisfaction.

In fact, we can say that the Moldovan government is jubilant and not without reasons. It has achieved an important, almost unhoped victory in its worn-out dialogue with Brussels and other European capitals, which were extremely unhappy with the shift to the mixed electoral system despite the protests of the society and opposition parties. The EU has repeatedly tried to convince the government led by the Democratic Party to abandon the mixed electoral system, which, in its view, jeopardizes the multi-party system in the Republic of Moldova. However, the European efforts have failed, with the EU finally having to recognize de facto the electoral reform abusively conducted by the Democratic Party and its political vassals.

In its conclusions regarding the Republic of Moldova, the EU Council doesn't demand the cancellation of the mixed electoral system, but only regrets that the new electoral law did not address some of the key recommendations of the joint opinion of the Venice Commission of the Council of Europe and of the Office for Democratic Institutions and Human Rights of the OSCE. Instead, the EU Council calls for very careful monitoring of the consequences and impact of the new electoral system on democracy and the multi-party system, both during the elections and during the electoral campaign, on election day and thereafter. At the same time, the EU draws the attention of the Moldovan authorities to the fact that transparent, inclusive and credible elections at central and local level are of major importance.

However, the jubilation of the Moldovan government is premature and the victory obtained is one à la Pirus. This is not due to diplomacy, rather exclusively to the decision of the Democratic Party and its leader Vlad Plahotniuc to complete the electoral reform at the risk of a considerable cooling of relations with the EU. The latter is permanently blackmailed with the prospect of the victory of pro-Russian parties in the future parliamentary elections. Thus, the democratic and the European-popular leaders have won a crucial tactical victory for their political survival, sacrificing their credibility in the European capitals.

Under these circumstances, the Foreign Affairs Council firmly reiterated the EU's decision to make every single instalment of 100 million euro of macro-financial assistance to the Republic of Moldova conditional on the implementation of the policy measures included in the Memorandum of Understanding and on the observance of political preconditions. In line with the conclusions endorsed by the EU Council, the political preconditions include, in particular, all the recommendations of the Venice Commission of the Council of Europe and the Office of the OSCE for Democratic Institutions and Human Rights, including those on party and electoral campaigns financing.

Moreover, the EU message is as clear as possible: the recognition of the results of the forthcoming parliamentary elections will depend greatly on how the recommendations of the Venice Commission/ OSCE will be implemented and respected. Will the decision-makers take into account this message, which clearly transpires from the conclusions of the EU Council? Probably not. Rather, in autumn, the EU will again be faced with a strategic dilemma of choosing between the lesser of two evils in the Republic of Moldova. After the current tactical victory, the politicians are more than ever encouraged to continue on the chosen path. They are sure they will give the decisive blow in autumn, and the EU, for the umpteenth time, will have to come to terms with de facto reality.

External assistance – vision of parties

This year, which is an electoral one, we will be trying to get the vision of parties on the issues addressed by the newsletter. For the current issue we asked the main parties in the Republic of Moldova what they think about the European assistance provided to the Republic of Moldova, whether it is good or not that it is conditional on reforms.

PD: The EU should provide financial assistance according to the commitments



Violeta Ivanov, chair of the Parliamentary Commission on Foreign Policy and European Integration

■ **Lina Grău:** The EU external assistance has been made conditional since last year, including from the political point of view. Do you think this was a positive or negative factor for Moldova?

■ **Violeta Ivanov:** The macro-financial assistance is based on an agreement following the negotiations between the European Commission and the Government of the Republic of Moldova. The very fact that such an agreement has been signed is a positive thing and I don't see any negative elements here. Our country has made some commitments in exchange for European money and we will stick to these commitments. From our point of view, all commitments are important, regardless of whether they refer to the energy sector, the financial-banking sector, the justice sector or other areas.

■ **Lina Grău:** How should the first instalment of the 100 million euro macro-financial assistance be made?

■ **Violeta Ivanov:** This is up to Brussels. From the point of view of Moldova, the things are clear. Prime Minister Filip has publicly stated that a letter was sent through which the European Commission was informed about the fulfilment of the 10 commitments for the first tranche of the 30 million euros macro-financial assistance. I trust that the European officials will judge us based on results and that the first instalment will arrive in Chisinau in the near future.

■ **Lina Grău:** This year, which is an electoral one, do you think the issue of external funding will be used in the political struggle? I suspect that the battle, including on the issue of external funding, will be a geopolitical one.

■ **Violeta Ivanov:** The fact that this issue is going to be used in the political struggle is quite clear – the opposition has already used it. As far as we see it - this money is for Moldova and it isn't for any government or party. So the issue shouldn't be politically speculated or a matter of dispute. It should rather be a unifying element of all political forces. This should be an example of what politicians can do together to the benefit of the country.

If we talk about the geopolitical context, I hope it is clear to all Moldovan citizens that the EU really wants to help Moldova. This assistance - which is certainly not the first and not the last one- can only be an impulse for us to get closer to the European Union. This is the way of developing and modernizing the country.

■ **Lina Grău:** What would be your suggestion for the EU financial assistance this year?

■ **Violeta Ivanov:** It's very simple. The EU should provide financial assistance based on the commitments fulfilled regardless of the electoral year in Chisinau. And I'm sure this will happen. The EU has repeatedly proved that it is an objective actor, even if it is not to the liking of the opposition.

PSRM: We are absolutely in agreement with the EU which is finally looking at what the government is doing



Vladimir Țurcanu, MP, Party of Socialists of the Republic of Moldova

■ **Vladimir Țurcanu:** Any assistance, if it is in the form of grants and not loans, is welcome for a poor country like Moldova. But, regrettably, in practice, this assistance is not being used properly- a lot is being stolen and the reforms are ineffective. An example in this sense is the justice reform or prosecution reform where tens of millions of euros have been spent.

It is not by chance that the EU has set very tough conditions for continued funding - starting with the issue of democracy, independence of justice, fighting against corruption, investigating on the theft of the billion etc. We are absolutely in agreement with the EU that is finally looking at what the government is doing. On the other hand, we believe that the current government cannot have the confidence of the EU. And it is better

to suspend this assistance rather than it being stolen and used inefficiently.

■ **Lina Grău:** This year, which is an electoral one, do you think the issue of external funding will be used in the political struggle?

■ **Vladimir Țurcanu:** We are clearly going to talk about what the government has done over the last four years. It is clear that this argument will be used- not out of sarcasm, but out of concern.

■ **Lina Grău:** Mr Turcanu, you spoke in positive terms about the EU assistance. On the other hand, President Igor Dodon said that the Socialist Party, if it comes to power, will discuss the cancelation of the Association Agreement.

■ **Vladimir Țurcanu:** Everyone sees very clearly that the economic part of this agreement has to be urgently revised, because the so-called open market for our goods has turned into bringing goods from Europe, with the local producers being blocked. That is why we will do everything possible for the economic part to be revised.

As far as the political part is concerned, the European democratic values are not new. Both in the Bible and in the Code of the Builders of Communism, and in the statutes of the parties, these principles are at the forefront of democracy, free justice, and non-admission of corruption. So, there is nothing that should be reviewed.

However, the relations with the EU must develop on a pragmatic platform. If the EU wants Moldova to develop as a friendly country and to the benefit of our citizens, it will assist it further whatever the party in power – the socialists or those who are in government today.

This pragmatic platform will allow us to get assistance also elsewhere - including investments from the Russian Federation. By coming to power, we will act on a

pragmatic platform and develop relations with both the East and the West in favour of the country and the citizens.

PL: Conditionality for funding is good



Corina Fusu, vice-chairwoman of the Liberal Party

■ **Corina Fusu:** The conditionality for funding is good, of course, because you cannot get that much money for years without implementing reforms to the benefit of citizens. The unreasonable use of European money in many cases should come to an end. The money should reach the citizens and not a multitude of experts, documents, legislation, strategies developed for lots of European money that end up in drawers without being implemented.

The EU, which says it will remain with the citizens of the Republic of Moldova, is very dissatisfied with the fact that there is no reform of the judiciary, that the government doesn't fight corruption, especially the high-level corruption, that the bank fraud and those who were involved in it have not been investigated yet. Also the EU Council Conclusions are highlighting that there is political pressure and selective justice applied to some mayors and even political opponents. Another concern is the change of the electoral system – an issue that will be closely monitored in the electoral campaign and in the 2018 elections.

The concern of the Liberal Party is that the democracy and the rule of law in the

Republic of Moldova are in great danger.

■ **Lina Grău:** In this electoral year, should the EU provide assistance or not? The things may be interpreted anyway in the electoral and geopolitical context.

■ **Corina Fusu:** The Government of the Republic of Moldova should react, because the EU has already said its word. The government should react very quickly and take actions on the recommendations made by the EU.

The EU needs to see and be convinced that the conditions set in the recent Conclusions of the European Council are being implemented and that the citizens feel these reforms. So it's the Moldovan government that should take the responsibility and not the EU.

Dignity and Truth Party Platform: The EU should allocate money, but on much tougher political conditions



Alexandru Slusari, Vice-chairman of the Dignity and Truth Party Platform

■ **Alexandru Slusari:** The current government doesn't deserve definitely any financing from the European Union. This is because the reforms don't take place, especially if we analyze such sensitive areas as - justice, corruption, the rule of law, the investigation of bank fraud and, most importantly, the multi-party democratic system in the context of the change of the electoral system.

Another thing is that the EU is thinking more about the Moldovan citizens

than the government does and the EU understands that even if this government has its flaws and is anti-democratic in some respects, there exist still three million people who need quality services, infrastructure, and roads.

The EU should be a bit tougher with the current government and the first political precondition should be to cancel the mixed electoral system. Only after that, the government deserves to receive money. The same goes for the other segments - the fight against corruption, justice reform and bank fraud – there is need for tangible progress. Practically, in the last two years of Plahotniuc's unipersonal dictatorship, we have no tangible results in these important areas.

■ **Lina Grâu:** What should the EU do with the financial assistance this year? I suspect that this issue is going to become a battleground on geopolitical criteria.

■ **Alexandru Slusari:** I hope the EU has learned the lessons of the past and will not repeat its mistakes. This also refers to our citizens. For several times, for the sake of geopolitics and because of the manipulation by the government which was threatening with the risk of Russian tanks, the EU has made concessions and supported this profoundly anti-European regime.

From the discussions we had in Brussels, I understood that the vast majority of decision-makers are aware of the greatest danger of this regime. And no one else is doing more to attract Russian tanks in Moldova than Plahotniuc himself.

And in this context, the EU approach should be pragmatic, fact-based, and experience-based and learn the lesson from the "success story" of the Republic of Moldova that has turned into the success story of a mafia clan. The EU must be tougher – adopted laws are not enough, there should follow sentences in the fight against corruption, accusations in the bank fraud case, cancellation of the mixed electoral

system. And only if the government demonstrates tangible results, should the EU allocate this money to the citizens of the Republic of Moldova.

Party of Action and Solidarity (PAS): Voters will give a chance to genuine pro-European parties if they see clear messages from the West



Maia Sandu, chair-woman, Party of Action and Solidarity (PAS)

■ **Maia Sandu:** Conditionality has always existed, but there have been different areas that the conditionalities covered. If we talk about the International Monetary Fund, which gives green light to several donors, the IMF has always come up with economic conditions.

In the case of the European Union, the conditions were largely absent, with the EU referring to the existence or the absence of a programme with IMF. But things are changing. The IMF is responsible for the economic side, but the EU is our main partner when we talk about strengthening the democratic process.

In 2017, we witnessed a premiere when the EU introduced political conditions for the assistance to the Republic of Moldova. And from the things I have heard in Brussels, this example could be used in the future for other countries as well.

■ **Lina Grâu:** The Moldovan government is trying to say there is in fact no direct connection between the mixed electoral

system and the implementation of democratic principles in the electoral process in the case of the 100 million euros macro-financial assistance. How tough or how flexible will the Western partners be when they look at the compliance with these conditions?

■ **Maia Sandu:** The government has a manipulative discourse and is lying, because even in the resolution of the EU Council which was recently published we clearly see how disappointed the EU is that the government- despite all the recommendations, including those of the Venice Commission- has changed the electoral system, and how big the risks for the democratic process are. When the government says it's not a problem, it's obviously lying, but that is part of the tactics of this government.

■ **Lina Grâu:** This year is an electoral year. I suppose that the battle, including on the issue of external funding, will be a geo-political one. What suggestions do you have for the Western partners – how should they act in this situation which is not simple for them?

■ **Maia Sandu:** My suggestion for partners is to be credible to the citizens of the Republic of Moldova- their messages should be clear, direct and transparent, because the pro-European course of the country will depend on the Moldovan voters.

And the voters in the Republic of Moldova will give a chance to the authentic pro-European parties, including if they see clear messages from the West: corruption is sanctioned, free press must be protected, the civil society is an important pillar of democracy, and the local public administration must be respected.

So the messages have to be clear so that there is no confusion that the West could support a government that is at odds with its citizens and which is the opposite of the European values.

Dionis Cenușă: Only two of the ten conditions for the first tranche of the EU assistance have been fully fulfilled

The analyst Dionis Cenușă from the Expert-Grup Independent Analytical Center points out that Moldova has become the first Eastern Partnership state on which the EU imposes political conditions for its financial support, and this may become a precedent for Ukraine and Georgia.

So, what has happened that the Republic of Moldova can receive assistance only under conditionality, including political conditionality? was the first question addressed to Dionis Cenușă.

■ **Dionis Cenușă:** The Republic of Moldova is the first country to have been imposed stricter conditionality, and that is because it has disappointed the EU in recent years.

The EU has applied political preconditions before, but they were for the direct budgetary assistance. The novelty is that conditions are now applied also for the macro-financial assistance. So, it's about assistance that contains both loans and grants, the latter being money that doesn't have to be paid back. And it is for the first time that preconditions of political nature apply for loans. The preconditions refer also to the scandalous mixt electoral system reform, whose biggest problem is that it has been adopted without the support of all political actors and society.

According to the EU messages, this political precondition will be crucial, especially for the second tranche. The



first tranche focuses on sectorial actions that cover a range of areas where satisfactory results have to be achieved. There have been set ten conditions for the first tranche.

■ **Lina Grău:** Expert-Grup and several other NGOs have monitored the implementation of these conditions. What is the progress according to your assessment?

■ **Dionis Cenușă:** We have monitored the actions of the Priority Reform Roadmap that the government has committed to implement. Some ten actions out of more than fifty coincide with the commitments made by the Republic of Moldova in the context of the macro-financial assistance conditionality.

Only two of the ten conditions have been fulfilled. The first is the Energy Law, which aims to increase the independence of the regulator, including such reforms as the financial autonomy, transparency.

The second law refers to the improvement of the business environment. Several actions have been taken which contributed to the improvement of the position of the Republic of Moldova in the international business classification.

However, there have been problems in the area of public administration reform as well as in the functioning of the Agency for the resolution of appeals dealing with public procurement issues.

In this case, despite the legal framework, the agency is not functional yet.

Another area where we have observed achievements, though incomplete, is the state enterprise legislation. Auditing these enterprises is at the core of the problem, because very few state-owned companies are subject to mandatory auditing. Another issue is the Court of Auditors. According to the legislation, its field of activity is limited, although the civil society insists that it should be maximally expanded and that the recommendations of the Court of Auditors become mandatory. They also suggest that the implementation of recommendations be monitored.

Last but not least, I would like to point out to the Law on Money Laundering and Terrorism Financing. Here my colleagues at the Expert-Grup have identified a number of issues.

Another issue is the Customs Law – some technical issues make us believe that the law has been implemented with certain reservations.

Two other actions that have been initiated, but have not been completed yet refer to the National Integrity Agency – this is the number one issue regarding the integrity and anti-corruption measures. Unfortunately, only the leadership of this institution was selected, but not the integrity inspectors. Another issue remains to be the Office for the recovery of illegally obtained goods. This is a hyper-important institution in the conditions in which Moldova has gone through the bank fraud and other crimes.

So, there are ten conditions for the first tranche, of which only two have been fully implemented, six have been implemented with some reserves, and

two have been initiated, but have not been completed.

■ **Lina Grău:** We see there are different interpretations not only with regard to the European messages but also to these conditions - the authorities claim they have fulfilled everything they had committed to do. Under these circumstances, what is your estimation regarding the disbursement of the first tranche? It is a difficult decision for the EU in the current context.

■ **Dionis Cenușă:** It is true, we are talking about an electoral context. The EU understands that the signals it gives can be used by the government and, respectively, may undermine the pro-European opposition should this tranche be released. That is why the EU must be very meticulous in the evaluation of these ten commitments for the first tranche, as it could also influence the election results from December 2018.

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