

Moldova Weekly – November 18 – Report on the current situation in Moldova

The European Partnership for Democracy (EPD) is a Brussels-based organization active in the field of democracy assistance which has Moldova as one of the target countries. Using our partner organizations in Moldova we try to bring current information from established international and Moldovan news agencies in order to provide an independent view on Moldova to the Brussels decision makers. Please address any questions or comments to kristinaprunerova@eupd.eu.

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FOREIGN ENGAGEMENT

Moldovan government recalls Ambassadors from Poland and Turkey

The Government of Moldova has decided to recall, ahead of time, Ambassador Valentin Mejinschi - from Poland and Ambassador Oleg Stati - from Turkey. Several other Ambassadors Extraordinary and Plenipotentiary are being recalled home due to expiry of their mandates, namely Boris Gaiciuc - from Belgium, Mihai Camerzan - from Portugal, Larissa Miculet from Israel, and Victor Postolachi from Austria. *Infotag, 4 November 2009*

Moldovan parliament sets up delegations to international organizations

The parliament today approved the nominal composition of delegations to international organizations. Three delegations will be headed by MPs of the ruling Alliance for European Integration (AIE) and five by members of the opposition Communist Party. Thus, Liliana Palihovici of the Liberal-Democratic Party will head the delegation to the Inter-Parliamentary Union is Deputy. Igor Dodon, who made it to the parliament on the ticket of the Communist Party, will head the Parliamentary Assembly of the Black Sea Economic. Liberal Democrat MP Mihai Sleahitchit will head the delegation to the GUAM Parliamentary Assembly. Communist MP Valentin Guznac will head the delegation to the Parliamentary Assembly of Francophony. Another Communist MP, Vasile Soimu, will head the delegation to the OSCE Parliamentary Assembly. The chairman of the delegation to the NATO Parliamentary Assembly is Veaceslav Untila of the Our Moldova Alliance. The parliamentary group to the Central European Initiative will be led by Communist MP Iurie Muntean. Communist Oleg Reidman will head the delegation to the Western European Union Assembly. The parliamentary delegations to the Parliamentary Assembly of the Council of Europe and the CIS will be confirmed at another meeting. *Moldpres, 6 November 2009*

National commission for implementation of IPAP created

The national commission for the implementation of the Moldova–NATO Individual Partnership Action Plan (IPAP) was created following a decree issued by Moldova’s Acting President Mihai Ghimpu on 10 November. Deputy Prime Minister and Minister of Foreign Affairs and European Integration Iurie Leanca was named chairman of the commission, Minister of Defense Vitalie Marinuta – vice chairman, while the head of the Foreign Ministry’s NATO and Political-Military Cooperation Division Dorin Panfil – secretary. The commission also includes: chairman of the parliamentary commission for foreign policy and European integration Igor Corman, chairman of the commission for national security, defense and public order Igor Vreamea, Deputy Prime Minister and Minister of Economy Valeriu Lazar, Minister of Finance Veaceslav Negruta, Minister of Justice Alexandru Tanase, Minister of the Interior Victor Catan, Minister of Environment Gheorghe Salaru, director of the Security and Information Service Gheorghe Mihai, Prosecutor General Valeriu Zubko, president of the Academy of Sciences of Moldova Gheorghe Duca, head of the NATO Information and Documentation Center Viorel Cibotaru, and executive director of the Institute for Development and Social Initiative ‘Viitorul’ Igor Munteanu. *IPN, 11 November 2009*

Natalia German will be chief negotiator in talks on new agreement with EU

Deputy Minister of Foreign Affairs and European Integration Natalia Gherman was designated as chief negotiator on behalf of Moldova in the talks over the new cooperation agreement with the European Union. On 11 November, the Government approved the nominal composition of the state commission for European

integration. Prime Minister Vlad Filat was named chairman of the Commission, while Deputy Prime Minister and Minister of Foreign Affairs and European Integration Iurie Leanca and Deputy Prime Minister and Minister of Economy Valeriu Lazar as deputy chairmen. Valeriu Gheorghiu, the head of the Foreign Ministry's European Integration Department, will act as a secretary. The members include Deputy Prime Ministers Ion Negrei and Victor Osipov, Minister of State Victor Bodiu, 13 ministers responsible for different areas and a deputy minister. The state commission will coordinate the fulfillment of the commitments deriving from the Moldova-EU documents and understandings. It will convene once a month or more often if needed be. Iurie Leanca said that at the start of 2008, the European Commission decided to open talks on the new agreement between Moldova and the EU. In November last year, the Council of European Commissioners approved the draft mandate of the talks. The new agreement will succeed the Cooperation and Partnership Agreement regulating the relations between Moldova and the EU that came into force on 1 July, 1998. It will contribute to the gradual achievement of the European integration objective. According to Leanca, the draft mandate enables to negotiate articles concerning security, justice and foreign affairs, branch cooperation and, partially, economic issues. It does not yet give permission to negotiate an extensive free trade zone. To open talks on this issue, the European Commission needs an additional mandate. As it was mentioned at the Government's meeting, the period during which the agreement will be implemented depends on the pace at which Moldova will carry out the agreed reforms. *IPN, 12 November 2009*

Pierre Lellouche: political class must reach an agreement

The next year is crucial for Moldova. The political class must overcome the personal interests and reach an agreement. The statements were made by Pierre Lellouche, Secretary of State for European Affairs at the Foreign Ministry of France. During a news conference on 12 November, the official said that the financial assistance offered by the European Union to Moldova under the European neighborhood program is one of the largest. Speaking about the other loans and donations promised to Moldova, he stressed that despite the economic and financial crisis, the international community found about US\$1.5 billion overall for Moldova. 'Now the international community is expecting results. The ball is in Moldova's court,' Lellouche said. He also said that France will continue to support Moldova in its efforts to join the EU and will actively engage in the negotiations on the liberalization of the visa regime. According to him, positive results could appear in several months, but everything depends on the steps that the authorities will take. Lellouche also said that France will back Moldova in the Transnistria conflict settlement process. 'Moldova must regain its integrity,' he stressed. *IPN, 12 November 2009*

Official talks on new Moldova-EU agreement to start in January

The official talks on the new agreement with the EU will start on 12 January, Moldova's Foreign Minister Iurie Leanca said in a news conference held in Bucharest after a meeting with his Romanian counterpart Catalin Predoiu. 'We hope the new agreement will be called an association agreement and when we finish the talks the preamble of the document will contain a phrase about Moldova's European prospects. However, we realize that for this to happen, we must do our homework,' Iurie Leanca said. The Moldovan Deputy Premier stressed that the future talks will be based on three important aspects: the dialogue on political and security-related problems, liberalization of the visa regime and the extensive free trade agreement. 'We aim to convince our EU partners, and we count a lot on our Romanian colleagues' support in this respect, to make a decision to open the talks on the liberalization of the visa regime by the end of this year and on the new extensive free trade agreement,' the Foreign Minister said. Speaking about 'homework', Iurie Leanca said that Moldova must promote such important reforms as the reorganization of the state institutions, separation of the powers in the state, ensuring of the independence of the judiciary, ensuring of the freedom of the media, re-monopolization of the economic system so that it becomes competitive and attracts investments, etc.

'When we achieve most of the set objectives or at least mark a positive trajectory, the dialogue with our EU partners will be much easier,' Leanca said. *IPN, 13 November 2009*

Moldova, Romania sign Convention on Small-Scale Border Traffic

The Convention on Small-Scale Border Traffic is signed by Moldova's Prime Minister Vlad Filat and the Romanian acting Premier Emil Boc in Bucharest on 13 November. The Convention on Small-Scale Border Traffic establishes a favorable regime for the citizens living in the border areas on both banks of the Prut. The Moldovan citizens living in the settlements located 30 km (in some cases 50 km) of the border will travel visa free within the similar area situated in Romania, using small-scale traffic permits and the passport. The permits will be valid for 2 to 5 years. According to Vlad Filat, this is a very important first step towards Moldova's integration into the EU. The agreement covers about 40% of Moldova's population. *14 November, 2009*

Moldova to support constitution of Police Cooperation Secretariat

Moldova will soon open talks on the draft Memorandum of Understanding on cooperation and support for the Secretariat of the Police Cooperation Convention for Southeast Europe. A relevant decree was signed by Moldova's Acting President Mihai Ghimpu. The same decree mandates the Minister of the Interior Victor Catan to sign the memorandum on behalf of Moldova. The Police Cooperation Convention for Southeast Europe was signed by Moldova on 5 May, 2006. The implementation partners – the foreign ministries of Austria and Germany, Europol and other organizations – consider it one of the most efficient mechanisms of cooperation between the police bodies of Southeast European countries. The Memorandum of Understanding says how the Secretariat of the Police Cooperation Convention for Southeast Europe will be organized and will work. The Secretariat will be administered in accordance with the rules and regulations of the Convention, which will name the head of the Secretariat. The Secretariat will be based in the Slovenian capital of Ljubljana. It will be supported financially by the parties and international partners. Every year, its head will prepare the draft budget that will be coordinated with the parties and international partners. The Memorandum of Understanding will come into force at the international level after it is signed. *IPN, 16 November 2009*

Moldova, Romania agree cooperation on energy projects

Moldova and Romania have agreed to boost actions to construct a gas pipeline, Drochia-Ungheni, and the inter-connection power lines Balti-Suceava and Falciu-Gotesti, Prime Minister Vlad Filat told on Monday. We got the support of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) to this end, and this will considerably strengthen Moldova's energy security, Filat said. The prime minister stressed that, at the first stage, the EIB and the EBRD is to provide assistance to elaborate the above- mentioned cross-border energy projects. The prime minister said that, to carry out and get financing for these projects, Moldova needs to pass laws on natural gas and electric energy in a short time in order to manage to join the Energy Community Treaty in next late December. 'We received assurances from Romania as concerns accession to this treaty, which will open up new prospects for Moldova as regards the reconstruction and modernization of the country's energy system,' the prime minister specified. Filat noted that the Romanian side said that it prepares for Moldova a set of economic assistance which is to be presented in the near future. The Romanian side knows Moldova's economic problems, and we can say that we will have constant assistance on behalf of Romania,' Filat said. Vlad Filat also said that Romania will provide Moldova with 400,000 doses of vaccine against the pandemic flu. The first batch of vaccines will enter Moldova on 26 November 2009. *Moldpres, 17 November 2009*

New Government signs first agreement with World Bank

The Ministry of Finance and the World Bank Tuesday signed the agreement on additional financing to the Competitiveness Enhancement Project, under which Moldova will be allocated Special Drawing Rights in the amount of US\$24 million. The additional financing is designed to facilitate the private sector's access to finance and business development services and to improve the long-term lending capacity of the commercial banks. The additional financing will be used to scale-up matching grants to Moldovan businesses in improving their productivity, and provide lines of credit for investments and working capital needs of Moldovan export-oriented enterprises. The World Bank Country Manager for Moldova Melanie Marlett said the given agreement is the first document signed by the World Bank with the new Government of Moldova. 'We are satisfied with the way in which the Competitiveness Enhancement Project is implemented. This financing comes to help the entrepreneurs cope with the financial crisis and become more competitive' Melanie Marlett said, quoted by the press service of the Government. Melanie Marlett expressed her confidence that the cooperation between the Government of Moldova and the World Bank will be intense and efficient. *IPN, 17 November 2009*

MOLDOVA POLITICS

Government names deputy ministers

Octavian Calmac was appointed Deputy Minister of Economy. He has worked for many years at the Ministry of Economy, being responsible for foreign economic relations. During many years, he had participated in the talks with the World Health Organization. By another Government decision, Natalia German, the daughter of the first President of Moldova Mircea Snegur, was named as Deputy Minister of Foreign Affairs and European Integration. The members of the Cabinet praised her for her professionalism, including while working as an ambassador. Sergiu Sainciuc became Deputy Minister of Labor, Social Protection and Family, Anatol Zolotcov – Deputy Minister of Construction and Regional Development, while Boris Gherasim – Deputy Minister of Transport and Road Infrastructure. Viorel Chetaru was named as director of the Center for Combating Corruption and Economic Crime, while Elena Beleacova – as director of the Interethnic Relations Bureau. Vasile Ursu was dismissed from the post of Deputy Minister of Construction and Territorial Development, Iurie Bucinschi – from the post of Deputy Minister of Social Protection, Family and Child, Valeriu Ostalep – from the post of Deputy Minister of Foreign Affairs and European Integration, Olga Gonciarov – from the post of director of the Interethnic Relations Bureau, Ion Turcanu – from the post of director of the Agency for Material Reserves, Public Procurement and Humanitarian Aid. *IPN, 4 November 2009*

Parliament elects new governor of National Bank

Dorin Dragutanu has become the new governor of Moldova National Bank (MNB) after having been elected by 52 Members of Parliament of the Alliance for European Integration on Friday. The communist opposition faction refused to vote for Dragutanu. They gave their reason as being that 'he is not a well known person in the banking field'. The new governor declared that MNB's priorities for the next period of work are maintaining stability of prices and unblocking of the activity of economic agents lending. The mandate of governor is provided by the Parliament for a seven-year term. Dorin Dragutanu is 35 years old. From 2008 till present times, he was the director of the audit department of 'PricewaterhouseCoppers' Company from Serbia. He started working in the financial-banking system in 1996 at a commercial bank from Chisinau. Before Dorin Dragutanu, Leonid Talmaci was the MNB governor for 18 years. *Deca-press, 6 November 2009*

Parliament fails to elect president

The parliament today failed to elect Moldova's president. All the 53 MPs of the ruling Alliance for European Integration cast their ballots for the single candidate, Marian Lupu, while the opposition Communist lawmakers walked out of the session hall before the voting procedure started. Under the legislation, at least 61 votes are necessary to elect the head of state. Under these circumstances, Parliament Speaker and acting President Mihai Ghimpu announced repeated elections. According to the legislation, repeated presidential elections should be organized within 30 days after the failure. Ghimpu told journalists that he knows legal mechanisms which would allow electing the head of state. He said that he would give more details about this when the time is right and gave assurances that everything will take place in a democratic manner. Ghimpu spoke in favour of electing the head of state with the votes of 51 MPs, criticizing the current provisions which he regards as a remnant of old political fights. *Moldpres, 10 November 2009*

Second presidential election to be held by 10 December

Moldovan second presidential election will be held within 30 days from the first attempt to elect the president that is until 10 December. The first attempt to elect the president on 10 November failed. Ion Plesca, chairman of the Committee for organizing the presidential election, told that the Standing Bureau of the Parliament will prepare a draft decision in which it will propose to the Parliament the date of organizing the second presidential election. Once the Parliament will set the election date, the Commission for organizing the presidential election will receive the documents of the candidates. The candidates for the president office will submit the necessary documents at least three days before presidential Election Day. 'The documents of the candidate designated by the Alliance for European Integration (AIE), Marian Lupu, who was the only candidate participated in the first round of election, will be submitted again to the Commission', Plesca said. The AIE announced that it will not nominate another candidate for president office. The PCRM, refused to participate in the presidential election on 10 November, announced that it will also not participate in the second presidential election. Iurie Muntean, PCRM MP, said that the party will uphold the given decision and after 30 days, when the second ballot will take place. Moreover, the President of Parliament, PL leader, Mihai Ghimpu said that Moldova will anyway have a president, who will be Marian Lupu. Ghimpu told the press that the AIE has legal mechanisms for electing the head of state that will be announced soon. *Basa-press, 10 November 2009*

Government operates reshufflings

The government appointed ombudsman Oleg Efrim as deputy justice minister on Wednesday. Iurie Cheptanaru, who has acted as head of the domestic affairs department in the Autonomous Territorial Unit of Gagauzia so far, was appointed deputy justice minister too. The government appointed physician Octavian Grama as deputy health minister and jurist Roman Cazan as deputy state minister. The cabinet of minister relieved of their duties deputy justice minister, Elena Mocanu, deputy interior minister Ghenadie Cosovan. The government dismissed from post the head of the State Fiscal Principal Inspectorate, Victor Coadă, and the director of the Agency of Medicine, Boris Golovin, as well as the director of the Land Relations and Cadastre Agency, Alexandr Bannicov, and the director of the Apele Moldovei (Moldova's Waters) Agency, Veaceslav Iordan. *Moldpres, 11 November 2009*

Civil society in favor of adopting new Constitution

The political crisis in Moldova is a consequence of the unwise constitutional development, considers Victor Popa, Doctor Habilitate of Constitutional Law. At a roundtable meeting at the Institute for Development and Social Initiative 'Viitorul' on Friday, the expert said the social and political situation in the country can be improved only by a constitutional reform. A study made by Victor Popa says the constitutional reform must

remove all the defects, unclear norms and badly-thought out mechanisms that cause confusion and hinder the democratic development. The expert said the adoption of a new Constitution is necessary because the present supreme law has a temporary character as it was passed by a Parliament that was not directly empowered by the people to do so. Victor Popa stressed that the Constitution can be amended by two ways. The modification of the Constitution by the vote of 2/3 of MPs is now impossible. Thus, the expert suggests holding a referendum. 'The Constitution becomes a supreme law only after it is ratified by referendum.' Moldova's Constitution represents a nucleus of contradictions. 'We have been in a political crisis during a decade. Now we have the possibility of reformulating this document and if we do not do it, we will have again early elections,' he said. The Head of Parliament and Moldova's Acting President Mihai Ghimpu said the approval of a new Constitution is a necessary step. 'We must ensure the constructive functioning of the law. The present Constitution contains shortcomings created by the former government,' Ghimpu said. The study represents a call to the Parliament, which confirms that the civil society is in favor of the adoption of a new Constitution, the participants in the roundtable meeting said. *IPN, 13 November 2009*

Young People's Parliament national programme launched

The national programme Young People's Parliament, the second issue, was inaugurated on Tuesday on International Students' Day. MPs, diplomats, partners and financing partners, rectors and students of higher education institutions participated in the launching ceremony, the parliament's mass media relations department has said. Parliament Speaker and acting President Mihai Ghimpu greeted the young MPs. Taking into account the European demands concerning the reform of the education system to ensure prospects for young people's self-assertion in the social, economic and political areas, the parliament speaker sent a message to representatives of youth organizations, political parties, rectors of Moldovan higher education institutions to contribute to consolidating the students' and young people's self-government both in the institutions which they represent and within the Young People's Parliament national programme. The Young People's Parliament is set to become a permanent, apolitical and fair forum in the Moldovan parliament, which is to represent a school of democratic and legislative procedures in Moldova, as well as an institutionalized and reliable partner to lawmakers. Candidates are registered from 17 November to 12 December 2009. Young people aged 18-25 from all over Moldova, including the Transnistrian region and Gagauzia, southern Moldova, may participate in the contest. Applicants need to fill in an application form which may be found on the Moldovan parliament's site, www.parlament.md. Seventy one young people selected following the registration contest and interviews will become members of the Young People's Parliament for one year. The foundation meeting of the Young People's Parliament will be held next December. The organization will simulate the work of the Moldovan parliament in line with the legislation in force and a regulation on the functioning of the Young People's Parliament. During their mandate, the young people will benefit from a string of training courses held by experts of the Moldovan parliament, as well as independent experts in legislation, communication, negotiations, law and public policies' analysis, management and political marketing. The experience gained by the young people within this national programme will serve as basis for political culture. The young people will initiate university and parliamentary debates on the law on youth and other legislative acts. *Moldpres, 17 November 2009*

ECONOMIC SITUATION

Germany provides 8.5 million Euros in financial assistance

The German Federal Government offered 8.5 million euros in financial assistance to the Government of Moldova. The money is provided under a protocol signed by Moldova's Minister of State Victor Bodiu and Otmar Greiff, of the German Federal Ministry for Economic Cooperation and Development, on 16 November. Under the document, 5 million euros will be directed to the Social Investment Fund, which earlier also benefited from German financial assistance. The other 3.5 million euros designed for technical cooperation will be distributed to the following projects: Modernization of the Agricultural Sector, Modernization of the Public Utilities, Support to Craftsmen's Chamber and Professional Formation, and to the Studies and Specialists Fund. 'In this period of economic and financial crisis, we want to support the Government of Moldova, first of all the Moldovan people, and decided to treble the volume of assistance compared with 2008. This money is intended mainly for the rural population and for small and medium-sized companies that have been most seriously affected by the crisis,' Otmar Greiff said. The technical and financial assistance offered by the Federal Republic of Germany to Moldova now totals about 40 million Euros. *IPN, 17 November 2009*

Poland to provide Moldova with credit to cover budget deficit

Moldova will benefit from a 15-million-dollar-worth credit on behalf of Poland to cover the budget deficit. Parliament Speaker and acting President Mihai Ghimpu and Polish Extraordinary and Plenipotentiary Ambassador to Moldova Krzysztof Suprowicz made statements to this effect at a news conference. The Warsaw government has already made a donation of computers to endow the parliament, which was devastated during the last April riots. Speaker Mihai Ghimpu thanked the Polish state for the support, stressing that this is 'a sincere and very useful help in the present situation in Moldova.' For his part, Ambassador Krzysztof Suprowicz reiterated Poland's support to achieve the Moldovan people's historical aspirations, and promised support to carry out more programmes on development of Moldova's settlements. The diplomat emphasized that, for three years already, Poland has been providing small grants for the local public administration to construct gas and water supply systems. Three new projects will also be implemented in the Chisinau municipality; Gagauzia, southern Moldova, and Transnistria till late 2009. The ambassador stressed Poland's willingness to also give a credit amounting to 15 million dollars to develop infrastructure. The former government ignored this proposal. The ambassador described the Moldovan-Polish relations as excellent. He said that the foreign ministry of Poland has visited Moldova more times over the last two years. Asked by MOLDPRES about the situation of the Moldovans working in Poland, Krzysztof Suprowicz said that about 8,000 visas were given in 2008, and many of the applications were on labour purpose. The diplomat specified that the Polish legislation is permissible enough towards foreign workers, adding that several Moldovan enterprises in the textiles field already work in Poland. *Moldpres, 16 November 2009*