

# East or West? The future of Democracy in Moldova

Nicolae Chirtoaca, Extraordinary and Plenipotentiary Ambassador  
of the Republic of Moldova to the United States of Moldova

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Chairman Hastings, Chairman Cardin, Members of the Committee, Ladies and Gentlemen,

It is an honor and a privilege to appear before you today to discuss the issues related to democracy development in my country the Republic of Moldova from the perspective of approaching 2009 parliamentary elections and taking into consideration the changing geopolitical environment in the East of Europe caused by the recent Georgia crisis that has a direct impact on the settlement of the so called “frozen conflicts” in the ex-Soviet space.

Since the beginning of this century Moldova has made visible progress moving from a typically weak state at the end of 90<sup>th</sup>, confronted with multiple problems and obsessed by the identity crisis, to relatively stable democratic institutions, functional governing structures, growing economy based on developing private sector. Throughout this period, despite the limited internal capacities and synergy for change, the Republic of Moldova has remained committed to democratic reforms and modernization of the society, providing security and stability in the region, mostly through efforts aimed at peaceful resolution of the separatist crisis and the territorial reintegration of the state.

Following the 2005 parliamentary election, the government continued its efforts in order to improve democratic governance in Moldova, reducing corruption, pushing through economic reforms, and welcoming foreign investment. At the same time, president Vladimir Voronin made clear his intention that the Republic of Moldova follows the path of other successful post-communist democracies and draw closer to the European Union, as well as develops partnership relations with NATO within the framework of the Individual Partnership Action Plan.

Moldova has successfully completed requirements that have moved the country through the “Threshold” process of Millennium Challenge benchmarks and in December 2006 has been approved to construct a Compact proposal for funding by the U.S. Millennium Challenge Corporation (MCC).

I would like to remind you that Millennium Challenge Account eligibility is a kind of reward to partner-states for good policy performance and is based on scoring above the median on at least half of 17 indicators in each of the three policy categories: Ruling Justly, Investing in People and Economic Freedom. The first category contains indicators that measure the quality of democratic governance, country performance on freedom of expression and belief, association and organizational rights, the rule of law; respect of human and civil rights, the independence of the judiciary.

These indicators also help to assess a country's commitment to promote political pluralism, equality, to ensure the transparency and accountability of government; to combat corruption. Eligible Countries must maintain strong policy performance as measured by the indicators as a condition for continued eligibility.

The conditionality of the assistance provided within the framework of cooperation with Millennium Challenge Corporation helps our Government in improving the governance in accordance with the recommended norms and good practices, first of all through gradual reduction of corruption and state bureaucracy, and in this way is making irreversible the market and democratic reforms in Moldova.

There are **many European multilateral organizations that monitor the democracy consolidation in Moldova**. The annual reports made public by the Council of Europe (CoE) have the most serious impact on the evolution of democratic reforms in the member-states. The country reports are presented to the Parliamentary Assembly of CoE (PACE) that adopts a Resolution and a Recommendation to the Council of Ministers. The Organization for Security and Cooperation in Europe (OSCE) has the reputation of being efficient regional organization promoting human rights and democratic standards within its area of responsibility.

At the same time these reports serve as basis for the European Commission Progress Report on the implementation of the European Neighborhood Policy to assess the dynamics of the bilateral relations with Moldova within the EU-RM Action Plan. These reports deserve the special attention of the participants of today event mostly because it describes and suggests the ways of improvements for the shortcomings of the current institutional framework of the Moldovan democracy.

According to the recent European Commission Progress Report on the implementation of the European Neighborhood Policy 2007, made public on April 8, 2008, during the reporting period the Republic of Moldova made good progress in most areas, including democracy and rule of law. The 2007 local elections were generally well administered and voters were offered a genuine choice. Other major achievements during the reporting period were substantial progress in improving the institutional framework and procedures on control and certification of origin, which allowed the EU to grant the Republic of Moldova additional Autonomous Trade Preferences, the entry into force of agreements on visa facilitation and readmission, and the positive cooperation with the EU Border Assistance Mission (EUBAM).

The Republic of Moldova also co-operated closely with the EU on all questions related to the Transnistria settlement efforts and work is ongoing to put into practice the proposals of the President of the Republic of Moldova on confidence-building measures.

On local self-government a number of legislative acts, including on administrative decentralization, local public administration and regional development, were adopted in December 2006. This brought national legislation closer to the recommendations of the Congress of Local and Regional Authorities in Europe. A national training strategy was adopted in January 2007 to enhance professional standards for public servants and elected municipal officials, although the practical impact of these measures remains to be improved.

The Republic of Moldova adopted a comprehensive strategy and implementation plan for reforming its judicial system. The capacities of the Supreme Council of Magistracy, the body in charge of judicial self-administration, were consolidated and a Department for Judicial Administration, subordinated to the Ministry of Justice, was created and started operating in January 2008.

The code of ethics for judges was approved in November 2007 and a judicial inspection system under the aegis of the Supreme Council of Magistracy was introduced by law in July 2007. The further pursuit of Action Plan objectives in the area of judicial reform will require ensuring the full implementation of the above measures in practice as well as further enhancement of the capacities of the judicial administration. Training for judges and prosecutors, including in the field of human rights, requires further strengthening.

The Republic of Moldova also undertook certain activities in the fields of combating corruption and raising awareness on corruption-related phenomena, as well took steps in this area to adjust its legislative framework to international standards and to strengthen its institutional framework. The National Action Plan on fighting corruption 2007-2009 was adopted in December 2006 and amended at the end of 2007. Cooperation with civil society should be further intensified.

The National human rights action plan 2004-2008 is under implementation. In January 2008 the Republic of Moldova ratified the First Optional Protocol to the International Covenant on Civil and Political Rights. The Republic of Moldova has started work on comprehensive anti-discrimination legislation.

In the context of ongoing efforts to tackle human trafficking, a new national referral system for victims of human trafficking was established in five pilot regions. A national action plan on anti-trafficking (2007-2009) was set up with the National Committee on Anti-trafficking ensuring full implementation. Efforts were made to amend the Criminal code to reinforce sanctions and liability and to encourage the development of special law enforcement units. In February 2008,

the European Convention for Combating Human Trafficking entered into force. The Republic of Moldova had been the first country to ratify the Convention in May 2006.

The broadcasting law that was adopted in July 2006 provides a good legislative basis to ensure respect for the freedom of expression. Its correct implementation in a manner which promotes the plurality of the media has to be ensured. The same goes for the existing law on access to information and existing defamation legislation which have been positively evaluated by the experts of the Council of Europe and the OSCE.

The next parliamentary elections are expected to be called in mid March 2009. The parliament will elect the new President as the second and last tenure of President Vl. Voronin comes to an end. The Parliament has passed a number of amendments to the Electoral Code that dates back to 1997. According to the OSCE, “it provides an adequate basis for the conduct of democratic elections, if implemented in good faith”.

In 2007, a new Law on Political Parties (28 parties and political organizations registered by the Ministry of Justice) complementing the electoral code was drafted and submitted to the Venice Commission. Adopted on December 21, 2007, the law aims to regulate the registration, functioning, and financing of political parties and seeks to make the electoral system more transparent and less prone to abuse.

However, it also creates a number of restrictions that can be explained by the need to raise the efficiency of the current party system as well as by the national security concerns. For example, the threshold was increased from 4% to 6%, pre-electoral blocs were prohibited and certain restrictions to persons holding dual citizenship were introduced. It deserves to be mentioned that the Venice Commission recommended 5% as an optimal electoral threshold for Moldova. It is also worth mentioning that electoral blocs are prohibited to participate at elections in such European countries with long lasting democratic traditions like Germany, Austria, Netherlands, Sweden, Hungary, and Finland. At the same time, according the Moldovan legislation the parties enjoy the right to create post-electoral coalitions.

Unfortunately, the civil society is far from representing a vibrant aspect of Moldova's public space. As is mentioned in this year Freedom House “Nations in Transit” Report: “The number of non-active organizations is significant, and only certain NGOs have the capacities to contribute to public policies. Lobbying and advocacy activities are developing slowly but lack impact. At the same time, monitoring efforts did not bear the expected results. Dependence on donor support makes NGOs vulnerable and poses the key challenge to the sector's development. Until NGOs become transparent and open to working with the media, they will lack credibility in their mission to promote democratic values”.

For about a year, **Moldova has been vigorously pushing for resuming the discussions within the current international format known as 5+2** (the Organization for Security and Cooperation in

Europe (OSCE), Russia, and Ukraine, as mediators, and the European Union and the United States, as observers, as well as the Republic of Moldova and the secessionist authorities). The Government strategy for conflict resolution is based on a complex “package” approach to all of the issues related to the separatist crisis – political, economic, social and humanitarian.

The “package proposals” include the development and adoption of a special legal statute for the Transdnistr region while respecting the sovereignty and territorial integrity of the Republic of Moldova, the consolidation of the neutrality status and the withdrawal of foreign military troops from the national territory, the recognition of ownership rights and granting of certain special guarantees to the population of the eastern region of the country currently under the control of separatist authorities. These proposals were drafted in late 2006 by Moldovan experts who tried to find a common denominator that would accommodate both Moldova's and Russia's interests without undermining the viability of a future reintegrated state or legalizing Russia's military presence in Moldova.

The key element of the negotiation process is the special autonomous status for Transdnistr region; a clear division of competences between central and regional authorities; functional central institutions; and proportional representation of Transdnistr region in the Moldovan parliament. The last point is important because of the spring 2009 parliamentary elections and the perspective that the population from the eastern bank of the Dniester River will take part in this democratic exercise. As a separate electoral district, the region would be entitled to a number of seats in the supreme legislature institution proportional to its share of Moldova's total population currently estimated at 13 percent.

The European Union and the United States long ago welcomed the Package proposals as a good foundation for a viable and long lasting settlement. It is necessary to mention that before the Georgian crisis Moscow has never formally reacted to our proposals, in spite of our Government persistent attempts to elicit a positive response.

My country is carefully observing the events in the G.U.A.M. region while reiterating its strong belief for the exclusively political solutions of all of the disputes to be taken at the negotiations table. The same position is also reflected in the Statement by the Government of the Republic of Moldova issued on August 29 with regards to the situation in South Ossetia and Abkhazia, which stipulates that Moldova does not see the international recognition of these two provinces as a stabilizing factor of the situation.

At this point we can clearly state that the dialogue with mediators and observers in the regulation process still continues. The meeting of the Presidents of the Republic of Moldova and of the Russian Federation from the end of August this year, the recent decision of the Tiraspol authorities to stop the so called “moratorium” on the dialogue with Moldova, and the Vienna Meeting in the 3+2 format (OSCE, Ukraine, Russia + EU, USA) on September 8, 2008, are

developments that bring assurances of a early resumption of the 5+2 international negotiations format.

However, it would be wrong or at least premature to conclude that Moscow has fully abandoned hopes of achieving a settlement on its terms. There are no indications that Russia is prepared to renounce its long-standing policy of using the unresolved Transdnier conflict as leverage to circumscribe Moldova's foreign-policy options or to legalize its military presence in Moldova at least during the post conflict period, the main goals contained in the famous 2003 Kozak Memorandum. At the same time, there are few further concessions our Government can make without compromising the future of Moldovan state and the European Integration Strategy.

In spite of progress made, effective implementation of reforms remains a challenge. In order to advance democracy, peace and territorial reintegration of the country, Moldova has to be successful in its efforts to end the transition from the Soviet past to the sustainable and durable democracy of market economy and efficient governance. For the time being, old stiele practices still exist alongside more democratic ones, as is the case in many transitional democracies. Moldovan democratic institutions have to be consolidated and much work needs to be done to consolidate the democratic institutions, to strengthen checks and balances, and continue economic reforms. But the most important is that these concerns are understood by the governance and there is a political will to address these issues in proper way.

There is a large consensus in the country among the leading political parties, main representatives of the developing private sector and the socially visible civil society organizations regarding the European future of Moldova. There is also a common understanding that only real and consistent democratic reforms can bring Moldova closer to the implementation of one of the main goals of the national strategy for development - to restore our historic and cultural ties to Europe that date back to the Latinity of Roman empire and early Christian period of the modern Western civilization. The integration of the country into today's European institutions and leading organizations, first of all the European Union, is understood as the main way of implementation of this vision and strategy.

Thank you very much for your attention. I appreciate the opportunity to speak here today and welcome any question that you may have.