

## COMPARTIMENTUL

### ȘTIINȚE POLITICE

CZU 327(478):061.1EU

DOI [https://doi.org/10.52388/1812-2566.2022.2\(97\).01](https://doi.org/10.52388/1812-2566.2022.2(97).01)

## INSTITUȚIONALIZAREA CALITĂȚII DE MEMBRU AL UNIUNII EUROPENE A REPUBLICII MOLDOVA

**Ludmila OLEINIC**

Doctor of Political Science, Associate Professor, The American University of Moldova,

Chisinau, Republic of Moldova

e-mail: [oleynyckliuda2@yahoo.com](mailto:oleynyckliuda2@yahoo.com)

<https://orcid.org/0000-0002-5884-9563>

---

*Moldova este o democrație parlamentară care s-a angajat recent într-o ambițioasă agendă de reforme, în ciuda unei serii de crize exogene. Caracterul parlamentar al democrației a fost confirmat de recente alegeri competitive la nivel parlamentar și prezidențial. Cadrul legal și constituțional al țării corespunde standardelor europene și internaționale. În ceea ce privește criteriile politice, Republica Moldova are o bază solidă pentru realizarea stabilității instituțiilor care garantează democrația, statul de drept, drepturile omului și respectarea și protecția drepturilor minorităților etnice. Referitor la criteriile economice, Republica Moldova a urmărit politici macroeconomice rezonabile, a consolidat semnificativ stabilitatea sectorului financiar și a îmbunătățit mediul de afaceri. În ceea ce privește capacitatea de a-și îndeplini obligațiile de aderare, Moldova lucrează din 2016 la implementarea Acordului de Asociere UE-Republica Moldova, inclusiv a Zonei de liber schimb aprofundat și cuprinzător (AA/DFCTA), captând deja o parte semnificativă a acquis-ului UE, preluând treptat procesul de aliniere în multe sectoare. În ansamblu, Moldova este un stat european angajat să respecte și să promoveze valorile pe care se întemeiază Uniunea Europeană.*

**Cuvinte-cheie:** integrare europeană, aderare, reforme, modernizare, democrație, stat de drept, standarde europene.

## INSTITUTIONALIZATION OF EUROPEAN UNION MEMBERSHIP OF THE REPUBLIC OF MOLDOVA

*Moldova is a parliamentary democracy that has recently embarked on a strong reform agenda despite a series of exogenous crises. The parliamentary nature of the democracy has been confirmed by recent competitive elections at parliamentary and presidential level. The country's legal and constitutional framework largely corresponds to European and international standards. As regards the political criteria, Moldova has a solid foundation in place to reach the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. As regards the economic criteria, Moldova has pursued reasonably sound macroeconomic policies, significantly strengthened financial sector stability, and improved the business environment. Speaking about capacity to fulfil the obligations of membership, Moldova has worked since 2016 on the implementation of the EU-Moldova Association Agreement, including a Deep and Comprehensive Free Trade Area (AA/DFCTA). These agreements already capture significant amount of the*

*EU acquis and Moldova has gradually taken up the alignment process across many sectors and has a satisfactory track record of implementation. Overall, Moldova is a European State committed to respecting and promoting the values on which the European Union is founded.*

**Keywords:** European integration, membership, reforms, modernization, democracy, rule of law state, European standards.

## INSTITUTIONNALISATION DE L'ADHÉSION DE LA RÉPUBLIQUE DE MOLDOVA À L'UNION EUROPÉENNE

*La République de Moldova est une démocratie parlementaire qui s'est récemment engagée dans un programme de réformes ambitieux, malgré une série de crises exogènes. Le caractère parlementaire de la démocratie a été confirmé par les récentes élections concurrentielles aux niveaux parlementaire et présidentiel. Le cadre juridique et constitutionnel du pays correspond aux normes européennes et internationales. En termes de critères politiques, la Moldova dispose d'une base solide pour parvenir à la stabilité des institutions qui garantissent la démocratie, l'état de droit, les droits de l'Homme et le respect et la protection des droits des minorités ethniques. En ce qui concerne les critères économiques, la Moldova a poursuivi des politiques macroéconomiques raisonnables, a considérablement renforcé la stabilité du secteur financier et amélioré l'environnement des affaires. En ce qui concerne la capacité de remplir ses obligations d'adhésion, la Moldova travaille depuis 2016 à la mise en œuvre de l'Accord d'association UE-Moldova, y compris la Zone de libre-échange approfondie et complète (AA/DFCTA), capturant déjà une partie importante de l'acquis de l'UE, prenant progressivement en charge le processus d'alignement dans de nombreux secteurs. Dans l'ensemble, la Moldova est un état européen engagé à respecter et à promouvoir les valeurs sur lesquelles l'Union Européenne est fondée.*

**Mots-clés:** intégration européenne, adhésion, réformes, modernisation, démocratie, état de droit, normes européennes.

## ИНСТИТУЦИОНАЛИЗАЦИЯ ЧЛЕНСТВА РЕСПУБЛИКИ МОЛДОВА В ЕВРОПЕЙСКОМ СОЮЗЕ

*Молдова является парламентской демократией, которая встала на путь решительных реформ, несмотря на ряд внешних кризисов. Парламентский характер демократии был подтвержден недавними парламентскими и президентскими выборами. Правовые и конституционные рамки страны соответствуют европейским и международным стандартам. Что касается политических критериев, Республика Молдова располагает прочной основой для обеспечения стабильности деятельности институтов, гарантирующих демократию, верховенство права, права человека, уважение и защиту этнических меньшинств. Говоря об экономических критериях, Республика Молдова проводила разумную макроэкономическую политику, существенно укрепила стабильность финансового сектора и улучшила деловую среду. Относительно выполнения обязательств по присоединению, с 2016 года Молдова работает над реализацией Соглашения об ассоциации ЕС-Республика Молдова, включая создание Зоны глубокой и всеобъемлющей свободной торговли (AA/DFCTA), уже охватывая значительную часть нормативно-правовой базы ЕС, и постепенно взяла на себя реализацию процесса согласования во многих секторах. В целом Молдова является европейским государством, приверженным уважению и поощрению ценностей, на которых основан Европейский Союз.*

**Ключевые слова:** Европейская интеграция, членство, реформы, модернизация, демократия, правовое государство, европейские стандарты.

### Introduction

The Republic of Moldova has taken a decisive step towards reforms, with a clear mandate from its

citizens. Following the 2020 presidential and 2021 parliamentary elections, there is a clear alignment of the presidential, executive and legislative powers on

a pro-reform, anti-corruption European path for the first time since independence.

The Russian war against Ukraine that started on February 24, 2022 have serious effects on Moldova. In a real spirit of solidarity and upholding European values, Moldova is actively supporting those fleeing Ukraine, hosting the highest number of refugees per capita. Despite this challenge, the Moldovan government is strongly committed to delivering on its clear reform goals – notably as regards judicial reform, public administration reform and the modernisation of the economy – to benefit the people of Moldova. Recent Eurobarometer survey results show increased support for EU integration and that the EU is the most trusted foreign organisation. In its turn, European Union strives to assist the Republic of Moldova as candidate state to EU in meeting the necessary standards on democracy, human rights and the rule of law, through a range of mechanisms of Republic of Moldova's progress in these areas.

### **Application for European Union membership**

It is worth to be mentioned that on 3 March 2022, the Republic of Moldova presented its application for membership of the European Union. The application was tabled in the context of Russia's war in Ukraine on February 24, 2022. On 7 March, the Council of the European Union invited the Commission to submit its Opinion on the application. EU Heads of State and Government endorsed this decision at the informal leaders' meeting in Versailles. Moldova received questionnaires on 11 April 2022 (on the political and economic criteria) and on 19 April (on the EU *acquis* chapters) and provided its replies on 22 April and on 12 May, respectively.

In this Opinion, the Commission assesses Moldova's application on the basis of its capacity to meet the criteria set by the European Council in Copenhagen in 1993, as well as in Madrid in 1995, notably regarding the country's administrative

capacity. The Opinion also takes into account Moldova's efforts in implementing its obligations under the Association Agreement (AA) including a Deep and Comprehensive Free Trade Area (DCFTA).

On 17 June 2022, the European Commission issued its opinion on Moldova's application for membership of the European Union (European Commission). And on 23 June 2022, the European Council granted candidate status to Moldova. It invited to report to the Council on the fulfilment of the conditions specified in the Commission's opinion on the membership application. Next the Council will decide on further steps once all these conditions are fully met [1, p. 2].

### **Relations between the European Union and the Republic of Moldova**

EU-Moldova relations date back to the independence of Moldova in August 1991. In November 1994 a Partnership and Cooperation Agreement was signed which entered into force in July 1998. Political and economic cooperation was enhanced with the beginning of negotiations on an Association Agreement in 2010. The Association Agreement, including a Deep and Comprehensive Free Trade Area, was signed in June 2014 and fully entered into force on 1 July 2016. This agreement is the key bilateral legal instrument serving as the basis for deepening political ties, stronger economic linkages, promotion of common values and enhanced cooperation in areas of mutual interest. The EU acknowledged the European aspirations and European choice of Moldova, including its commitment to building a deep and sustainable democracy and a market economy. Based on the AA/DCFTA, Moldova has carried out a number of challenging reforms and successfully aligned its legislation with the EU in many areas. The EU-Moldova Civil Society Platform (CSP) is one of

the bodies set up under the Association Agreement. It enables civil society organisations on both sides to monitor the implementation process and prepare recommendations to the relevant authorities. The subsequent Association Agendas agreed between the EU and Moldova establish clear priorities in order to implement the Association Agreement and its DCFTA. Adoption of the Association Agenda (2021-27), which focuses on democracy, human rights and good governance; freedom, security and justice; and economic, trade and sectoral cooperation, is imminent. The EU remains fully committed to support a comprehensive, peaceful and sustainable settlement of the Transnistrian conflict, based on the sovereignty and territorial integrity of the Republic of Moldova in its internationally recognised borders, with a special status for Transnistria.

The EU's commitment to supporting Moldova is long-standing and has delivered results. The EU provides significant financial assistance, which over the years 2014-2021 amounted to 512 million Euro in grants under the European Neighbourhood Instrument, and 160 million Euro under the Macro-Financial Assistance programme in the form of loans and grants to support socio-economic development. The EU provides its support through policy development and comprehensive reforms, with strong involvement from Member States in a Team Europe spirit. Among the key programmes are support for pre-vetting of judges and prosecutors, support to increase Moldova's energy security, and a team of High Level Advisers to the Moldovan government in areas of particular importance. 7 million Euro from the European Peace Facility have been allocated in 2021- to strengthen the capacities of the military medical service and engineering battalion. Since the energy crisis in autumn 2021, threatening security of supply and tripling energy prices, and the beginning of Russia's war of aggression against Ukraine, the EU has stepped up its support for Moldova's overall

economic, social and financial resilience, with emergency macro-financial assistance worth 150 million Euro and 60 million Euro in budget support in response to the energy crisis. The EU provided humanitarian assistance to help Moldova to face the flow of refugees from Ukraine. The Economic and Investment Plan for the Eastern Partnership seeks to unlock 3.4 billion Euro in public and private investments for economic development of the country, including tailored flagship investments. The EU and other financial institutions work hand in hand to assist Moldova. Since 2014, the European Investment Bank and the European Bank for Reconstruction and Development have allocated 425 million Euro and 777 million Euro respectively in loans. The EU is also working in close cooperation with the World Bank and the International Monetary Fund, which have been key partners supporting Moldovan reform efforts since 2014. Citizens of Moldova benefit from visa-free travel to the Schengen area since April 2014. A Readmission Agreement entered into force in January 2018. Moldova is a contracting Party to the Energy Community Treaty and the Agreement on the Common Aviation Area, and a member of the Central European Free Trade Agreement, all of which assist in approximating Moldovan legislation to EU *acquis* [2, P.2]. Moldova is a member of the United Nations, the Council of Europe, and the Organization for Security and Cooperation in Europe (OSCE). Since 2014, Moldova has progressively extended its participation in EU programmes. It currently takes part in Horizon Europe, and organisations and individuals from Moldova can also benefit from certain actions of the Erasmus+ and European Solidarity Corps Programmes. There are regular Ministerial level dialogues between Moldova and the EU on Trade, Energy and Security. Moldova participates in several Interreg programmes and is a member of the EU macro-regional Strategy for the Danube region. Moldova has concluded working

arrangements, cooperation agreements or memoranda of understanding with a number of EU agencies such as the European Border and Coast Guard Agency (Frontex); the European Union Aviation Safety Agency (EASA); the European Union Agency for Railways (ERA), the European Union Agency for Criminal Justice Cooperation (EUROJUST); the European Fisheries Control Agency (EFCA), the European Agency for Safety and Health at Work (EU-OSHA), the European Environment Agency (EEA), the European Food Safety Authority (EFSA), the European Centre for Disease Prevention and Control (ECDC), the European Union Agency for Law Enforcement Training (CEPOL), the European Training Foundation (ETF), the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), the European Union Intellectual Property Office (EUIPO), the European Police Office (Europol), and the European Maritime Safety Agency (EMSA). Moldova is a participant in the Eastern Partnership (EaP). The EaP is based on the principle of inclusivity and differentiation. Russia's war in Ukraine has shown that multilateral cooperation and cohesion is now more important than ever, as is strengthening the resilience of the region. A focus on bilateral relations will also be important going forward, to allow Moldova to implement key reforms including in the field of governance, justice and rule of law.

### **Political criteria for membership**

The assessment is based on the Copenhagen criteria relating to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. As established by its Constitution, Moldova is a parliamentary democracy: legislative powers are exercised by the parliament and executive powers by the government. The President of the Republic has a mostly representative function but holds formal responsibility for foreign policy and provides civilian oversight of the armed forces.

Executive power is exercised by the Government, consisting of a Prime Minister and 15 ministers. The Constitution guarantees the fundamental principles of a democratic state, including the rule of law, free elections and the protection of human rights. The Constitution enshrines the principle of primacy of international law over domestic law. The Constitutional Court was recomposed in 2019. The Supreme Court is the highest court of general jurisdiction, while the Constitutional Court exercises constitutional jurisdiction. The Parliament is the sole body of legislative power adopting legislation, including amendments to the Constitution, and exercises democratic control and oversight over the executive. The Parliament's oversight function and control over the government and its scrutiny of legislative development (including monitoring the implementation of legislation) are limited by the capacity of parliamentary institutions. More must be done to ensure the transparency of funding of political parties. The Constitution gives citizens the ability to choose their government in free and fair periodic elections held by secret ballot and based on universal and equal suffrage. While the latest rounds of parliamentary elections in July 2021 were, according to the Office for Democratic Institutions and Human Rights (ODIHR), well administered and competitive and fundamental freedoms were largely respected, several further recommendations by ODIHR remain to be addressed in areas such as effective campaign finance oversight, political bias of news outlets and the impartiality of the Central Election Committee.

The use of urgent procedures to pass legislation, including in areas relevant to the EU acquis, has fallen considerably over the past four years. Comprehensive impact assessments of proposed legislation are needed. The Constitution guarantees freedom of assembly and association and a 2020 law on noncommercial organisations simplifies



registration and eliminates registration fees and restrictions on membership [2, p. 3]. A Strategy and Action Plan for Civil Society Development are in place. Civil society organizations have the capacity to be important partners in the country's development. Setting up a systematic public consultation procedure would enable them to make a more meaningful contribution to the reform process.

Moldova's strategic framework for public administration reform (PAR) is based on the 2016-2020 PAR strategy (extended to 2022). The legal framework and the civil service system are mostly in line with European public administration principles and European standards and practices. The PAR strategy aims to guarantee quality, stability, neutrality and continuity of public administration and to ensure transparent merit-based recruitment, promotion and dismissal procedures. A new PAR strategy is in development. Further efforts are needed to ensure adequate administrative capacity to develop, implement and enforce legislation. On service delivery, the government's Action Plan for 2021-2022 contains key objectives, result/outcome indicators and priority actions in the field of good governance and digital transformation policy, dedicated to modernizing public administrative services, increasing the quality and accessibility of public services provided to citizens and businesses, and extending and improving electronic services provided to citizens and entrepreneurs. A more citizen oriented administration is a key government priority and a common strategic vision for digitization and e-Government has been developed. The Government remains committed to the implementation of the Public Finance Management (PFM) Strategy (2013-2020), which has been extended to the end of 2022. The authorities have made some progress on PFM reforms. The Government is working to make further improvements in a number of areas, including transparency, public investment planning

and execution, accounting standards, internal control and audit, governance of state-owned enterprises, public procurement and e-procurement, and involving civil society in the budgetary processes. The preparation and implementation of a new PFM strategy is expected following the next Public Expenditure and Financial Accountability (PEFA) assessment. With respect to multi-level governance, the decentralisation process has been evolving since 2012. The revised roadmap for local and regional democracy is expected to give new impetus to this process. Against this background, territorial reform needs to empower local authorities with sustainable finances that deliver services to citizens. The government supports reform of managerial accountability and a systematic delegation of responsibilities. Civil society organisations continue to call for increased transparency in decision-making in parliament and other public authorities.

Since the 2014 banking fraud Moldova has undertaken a major overhaul of both its justice and anticorruption systems. In recent years, Moldova has strengthened the rule of law, including police reform and steps towards reforming the judiciary. More needs to be done to address the influence of vested interests in both the political and commercial spheres.

From 2009, Moldova has undergone a series of judicial reforms aimed at strengthening the independence, efficiency, and effectiveness of the judiciary. Justice reforms are a priority for the current government. Moldova has recently adopted a comprehensive Strategy for Ensuring the Independence and Integrity of the Justice Sector 2022-2025 and a corresponding Action Plan. The constitutional and legal framework for the judiciary is largely in line with European standards. Law enforcement and judicial structures have been consolidated. The Superior Council of Magistracy and the Superior Council of Prosecutors are responsible

for the self-government of the judiciary. The constitutional and legislative framework in principle guarantee the independence of the judiciary and its impartiality. In practice, the integrity, independence and accountability of the judiciary need to be significantly improved. Constitutional amendments regarding the functioning of the judiciary entered into force in April 2022. The amendments significantly improve the legal framework concerning the independence, accountability, and efficiency of the judiciary and judicial administration, in accordance with recommendations from the Council of Europe [3, p. 1]. In particular, the amendments bring the composition of the Superior Council of Magistracy in line with European standards by excluding ex-officio membership and revising the appointment process of Superior Council of Magistracy lay members. This strengthens the role of the President in the appointment of judges, regulating the functional immunity of judges at the constitutional level, and changing the appointment procedure of judges of the Supreme Court of Justice to reduce the risk of politicisation. The full functional independence of the Prosecution Service needs to be strengthened, as well as the efficiency of the General Prosecutors Office. Decisions affecting management and leadership of the Moldovan Prosecution Service are at times politically motivated, such as the removal, temporary replacement and arrest of the Anti-corruption Prosecutor in 2021.

Combating and preventing corruption is high on the reform agenda of the Moldovan government. Moldova has increased the annual budget of its anti-corruption institutions including the National Integrity Authority, the Criminal Asset Recovery Agency and the Financial Investigation Unit. Corruption remains a serious concern that requires continued attention as it imposes significant costs on the state budget, businesses and the population, discourages domestic and foreign investment and

undermines the rule of law. The main policy document for preventing corruption and increasing integrity is the National Integrity and Anti-Corruption Strategy for 2017-2023. The Strategy includes actions regarding recovery of criminal assets, protecting whistle-blowers, strengthening ethics and integrity in the public, private and non-governmental sectors, ensuring transparency of public institutions and of political party financing and media. Moldova is a party to all key international anti-corruption conventions, including the Council of Europe's Group of States against Corruption (GRECO) and the United Nations Convention against Corruption (UNCAC). A comprehensive legal framework on both preventing and combatting corruption, largely complying with European and international standards, is in place and partly implemented. All forms of corruption are criminalised, including illicit enrichment, and the laws regulate conflict of interests and protect whistle-blowers.

Specialised anti-corruption institutions have been established and are operating – the National Anticorruption Centre (NAC), with the Criminal Asset Recovery Agency (CARA) as an autonomous subdivision, the Anti-corruption Prosecutor Office (APO) and the National Integrity Agency (NIA). These institutions have comprehensive mandates in line with international standards and increasingly operate independently, with interagency coordination and required resources partly in place. Further efforts are needed to clarify the mandates of these institutions and strengthen the effectiveness of the National Anticorruption Centre and the National Integrity Agency. Progress is needed to bring corruption cases to court and prosecute them effectively. There has been little progress in investigating the 2014 banking fraud and bringing those responsible to justice. Efforts against bank fraud should be strengthened by updating the criminal asset recovery strategy and setting up a new asset recovery mechanism.

Moldova has signed and ratified the United Nations Convention against Transnational Organised Crime, as well as its protocols on Trafficking in Persons and on Smuggling of Migrants. The Criminal Procedure Code outlines investigative and criminal pursuit activities. Moldova concluded a working arrangement with the European Union Agency for Law Enforcement Training (CEPOL), an operational and strategic agreement with the European Union's law enforcement Agency (Europol) and a Memorandum of Understanding with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA). Moldova participates in the European Multidisciplinary Platform Against Criminal Threats (EMPACT). The country is a member of Interpol. Anti-money laundering legislation partially reflects the Financial Action Task Force (FATF) standards and relevant international legislation. Moldova is located at an important crossroads for smuggling of persons and illegal goods (including drugs and arms) to the EU. Moldova is a source, transit and destination for trafficking in human beings, in particular for sexual exploitation and forced labour, although there have been few convictions of perpetrators. The General Police Inspectorate tackles organized crime, however conviction rates for organized crime are not available. The Inspectorate has one central and two regional departments (National Investigation Inspectorates) responsible for the entire spectrum. In many cases, further significant efforts to investigate wider organized crime networks are needed.

Moldova has ratified the main international human rights instruments, including the Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention), the European Charter for Regional or Minority Languages, the European Convention on the Exercise of Children's Rights, and the European Convention on Human Rights. The country has

ratified the UN Convention on the Rights of the Child and two of the Optional Protocols.

The legal and institutional framework regulating fundamental rights is in place and laws generally follow European and international standards. The capacity of the institutions in charge of protection and enforcement of human rights and the implementation of existing strategies and action plans remains limited and impedes the effective enforcement of human rights [3, p. 4]. In particular, the National Council to prevent discrimination and ensure equality is seriously understaffed. Moldova adopted a new Human Rights and Democracy Strategy for 2021-2024. Key priorities are gender equality/women's rights, respect for human rights in the criminal justice system, guaranteeing the integrity of electoral processes, and supporting independent media, access to information, and the fight against disinformation. The National Prevention Mechanism consists of seven members, including the Ombudsperson, the Ombudsperson for children and five persons proposed by civil society. The Ombudsperson institution – the People's Advocate – is designated as the National Human Rights Institution and accredited with "A" status by Global Alliance of National Human Rights Institutions as largely complying with the Paris Principles. Its financial and functional independence should be strengthened and its role in the context of Moldova's Council for the Prevention of Torture clarified.

Regarding the key fundamental rights issues, the country has 18 judgements of the European Court of Human Rights under enhanced supervision procedure pending their enforcement. These include ill-treatment by state agents, illegal deprivation of liberty, violations of the right to a fair trial, authorities' failure to provide protection from domestic violence and discrimination on grounds of sexual orientation. More needs to be done concerning the right to fair trial and the adequate investigation and prosecutions



of acts of ill treatment. People deprived of their liberty do not enjoy all the fundamental legal safeguards from the outset of their detention. The inadequate investigation of alleged cases of ill-treatment leads to a sentiment of impunity. Conditions in places of detention and pre-trial detention remain below international standards, notably due to overcrowding of prison facilities, lack of effective medical service or use of lengthy solitary confinement as a disciplinary measure. The legislation on access to information and freedom of expression is largely in line with international standards, but more needs to be done to ensure the full implementation of the law. Media can generally report freely. To guarantee media pluralism, the concentration of media ownership and non-transparent media financing need to be tackled. Further efforts are also needed to ensure access to information of public interest, safeguard the independence of journalists and quality of media content, along with addressing the increasing cases of verbal assault, intimidation and harassment of journalists. The equality principle is enshrined in the Constitution. The Equality Council does not have an adequate mandate within existing equality legislation. In April 2022, the parliament adopted amendments to the Criminal Code and the Contravention Code to enhance the state's response to hate crimes. Long-pending legislation on hate crime has been recently adopted leading to a widening of the scope of protected grounds and thus to the strengthening of the legal framework to prosecute and punish bias-motivated crimes. More needs to be done to tackle hate speech and discrimination based on sexual orientation and gender identity, as well as gender-based violence. Regarding equality of women in the labour market, the legal framework no longer prohibits access to certain professions but women continue to face de facto obstacles and age-based discrimination. Moldova's gender pay-gap persists with women overall earning 14.1% less

than men on average in 2019 (the same as the EU average), and 39.6% of parliamentarians elected in 2021 are women (above the EU average). The law prohibits employment discrimination based on sexual orientation, but societal discrimination continues. The process of de-institutionalisation of children has much advanced over recent years. More needs to be done regarding infant mortality, child labour, including links to trafficking and sexual exploitation, and the particular situation of Roma children and children left behind by their parents [3, p. 5].

### **Economic criteria for membership**

Speaking about functioning market economy, can be mentioned that Moldova is a small open economy with a Gross Domestic Product (GDP) per capita in terms of purchasing power parity (PPP) of around 30% of the EU average in 2020, up from 25% in 2013. Overall, Moldova demonstrates a satisfactory track record in carrying out broadly sound macroeconomic policies. However, the lack of political will and frequent changes of government have sometimes made reform implementation uneven and delayed the transformation into a competitive market economy. During the last decade, Moldova has been able to sustain economic growth at about 4.5% per year on average and weather several economic crises, including the pandemic.

Prior to the global inflationary pressures fuelled by Russia's war against neighboring Ukraine, the National Bank of Moldova had been generally successful in keeping inflation within the target range set at 5% (+/- 1.5 percentage points), while the exchange rate regime of managed floating, supported a stable national currency. As a result of rapidly growing energy and food prices, surging inflation, at 22% by the end of 2022, stands among the key challenges to Moldova's macroeconomic stability going forward, in addition to the cost of housing and the high inflow of war refugees. On the external

side, imbalances have been relatively large, with the current account deficit at 7.3% of GDP on average during the past ten years, owing largely to a substantial trade deficit. The latter has been driven by strong domestic demand bolstered by large remittances, unfavourable terms of trade and a relatively weak export base. However, thanks to substantial support from international partners, Moldova was able to considerably build up its foreign exchange buffers. Moldova is also traditionally heavily dependent on the inflow of remittances, with the current war against Ukraine impacting negatively on revenues from Russia and the Commonwealth of Independent States (CIS) region. The current government has inherited a legacy of corruption, vested interests and weak institutions responsible for rule of law, which hampers investment and productivity growth and continues to undermine the business climate[3, p. 8]. The government has therefore launched a reform of its justice system and is taking significant steps to tackle corruption, while ongoing regulatory reforms aim to reduce red-tape. Moldova's State-Owned Enterprises (SOEs) sector remains large, comprising of about 900 companies, and still requiring government support. State influence remains important in key sectors of the economy, including in telecom, energy and transport. Overall, SOEs own assets worth about 26% of GDP and employ around 6% of the active labour force. The sector continues to suffer from a lack of adequate corporate governance practices, inefficiency and poor oversight. This further undermines private sector investment and economy-wide competitiveness and poses fiscal risks. Further reforms, especially, concerning better corporate governance, reorganization, privatization and liquidation of non-viable companies are needed and among the government priorities. At present, the banking sector seems well capitalised, with all banks meeting the capital adequacy ratio, and a substantial fall in the share of non-performing loans in recent

years. Thanks to successful banking sector reforms, access to finance, in particular for small and medium sized enterprises (SMEs), has improved recently. However, financial intermediation remains low, with the share of loans extended to the private sector at 20% of GDP on average between 2017 and 2021. In addition, overall progress on the recovery of the stolen assets and legal proceedings as regards the 2014 bank fraud have been slow and nontransparent. The labour market features significant structural weaknesses, as reflected by the very low employment rate of around 49% in 2020. This is partly due to the substantial share of informal employment, in particular in the agricultural sector and construction. There is also a mismatch between skills and job requirements. Although unemployment among university graduates remains, on average, lower than for those with only a secondary education degree, some graduates continue to struggle with finding jobs matching their qualifications. Employment services and labour market programmes are hampered by limited funding, while the creation of good quality jobs is held back by insufficient private and foreign investment in higher value-added sectors.

Regarding the ability to cope with the competitive pressure and market forces of the EU, Moldova suffers from low skills level and match due to the low quality of education and a significant emigration of qualified workers. Although investment in education, has been relatively high at 5.7% of GDP during 2019-2022, Moldova scores below the OECD average according to the PISA results, ranking 51st out of 78 countries. Yet, it is still relatively better than other countries in the region, and with progress noted over the years. Vocational training has improved, with a new form of dual education being currently implemented to bridge the gap between education institutions and the private sector. Moldova's physical infrastructure remains relatively underdeveloped, despite important support from international partners and significant

investment by the government, albeit from a low starting point [4, p. 3]. Gross fixed capital formation accelerated in recent years and amounted to around 25% of GDP in 2020. The energy sector suffers from key structural weaknesses, uncovered following the gas crisis that began in October 2021. Moldova is fully dependent on the supply of gas from Russia and has no storage capacity on its territory, making it extremely vulnerable vis-à-vis the supplier. The electricity market suffers from similar issues, with little diversification of energy resources and underdeveloped infrastructure. Unbundling the energy utilities is therefore among the key priorities in the future, and Moldova is working closely with the EU to that effect. The Moldovan economy is not very diversified and remains heavily reliant on the agricultural sector, which makes it less productive and particularly vulnerable to climate conditions. Agriculture accounts for about 12% of Moldova's official GDP (according to 2021 data) and the informal subsistence agriculture represents another estimated 11% of GDP [5, p. 2]. The manufacturing sector remains relatively weak, with its share of GDP decreasing from 15.4% in 2016 to 12.4% in 2021. However, the IT sector has seen a noticeable expansion, especially since the pandemic, albeit starting from a low level and this is reflected in its growing contribution to GDP growth. Moldova's alignment with the EU electronic communication legal framework is limited. Moldova's economy is closely integrated with that of the EU. Economic links between the two have been further strengthened since the entry into force of the DCFTA. The EU is Moldova's biggest trading partner, accounting for a share of about 66% of its total exports, well above its regional peers, and around 45% of its total imports in 2021. Food and agricultural products and other commodities make up for almost half of Moldova's exports, pointing to its feeble export structure and need to move up the global value chains. Moldova

is a WTO member since 2001, with a largely open trade policy.

### **The obligations of membership**

The ability of Moldova to assume the obligations of membership has been evaluated based on the following indicators:

- The commitments in the Association Agreement including the Deep and Comprehensive Free Trade Area (AA/DCFTA) and their implementation;
- The level of adoption, implementation and enforcement of the *acquis* outside the AA/DCFTA.

The EU-Moldova Association Agreement, including the Deep and Comprehensive Free Trade Area (AA/DCFTA) belongs to a new generation of ambitious association agreements the EU has concluded with its partner countries. The Agreement captures a substantial part of the EU *acquis* with a detailed timetable of implementation varying from 3 to 7 years and brings the country closer to the European Union in terms of regulatory alignment. Since the provisional entry into force of the AA/DCFTA in 2014, EU Member States are closely involved in its implementation through the Association Council and the Association Committee. Common Positions are adopted for the Association Council and a detailed Annotated Agenda is agreed for the Association Committee. Strategic guidance is provided by the Association Council meetings at the highest political level. Furthermore, the EUMoldova Parliamentary Association Committee involves the European Parliament and the Moldovan Parliament in the implementation of the agreement. The discussions are informed by the input provided by the civil society through the EU – Moldova Civil Society Platform and duly taken into account. The institutional setup includes Association Committee and Association Committee in Trade Configuration, dedicated Sub-Committees and Cluster Sub-Committees covering almost all chapters of the EU

acquis that allows for ongoing and thorough analysis of the progress in the relationship [6, p. 7]. The EU and Moldova have worked closely together to identify key policy areas, set targets for reform and legislative progress, and benchmark achievements in those areas. The regularly updated Association Agendas set out the short and medium term policy objectives of EU-Moldova cooperation. Moldova's implementation of the EU acquis is documented in the EU's 'Association Implementation Reports' issued regularly since 2017. A full examination of all EU acquis chapters will be carried out at a later stage. Following the adoption of the revised enlargement methodology and for the purpose of the EU's Enlargement policy, the EU acquis is structured around six thematic clusters. The EU acquis in these clusters is substantially covered by the AA/DFCTA and Moldova has gradually approximated with it. Moldova has a satisfactory track record of implementation, though progress is uneven and delays in meeting the ambitious times lines in the AA/DCFTA have been frequent. Pending the full examination of all chapters, the below analysis provides examples of chapters in the clusters where Moldova has achieved particularly good results and highlights areas where there has been limited approximation to the EU acquis. The Fundamentals cluster includes the chapters of the acquis on Judiciary and fundamental rights, Justice, freedom and security, Public procurement, Statistics, and Financial control.

The Internal market cluster includes the chapters of the acquis on Free movement of goods, Free movement for workers, Right of establishment and freedom to provide services, Free movement of capital, Company law, Intellectual property law, Competition policy, Financial services, and Consumer and health protection. Moldova has achieved particularly good results in the free movement of goods where it has made substantial

efforts to align with EU standards, to remove technical barriers to trade. There are other areas in the cluster where approximation to the EU acquis is still limited, for example, the area on Competition Policy. The AA/DCFTA sets ambitious goals in the domain of State aid and competition. Moldova's competition and State aid legislation is largely based on the EU acquis on antitrust and mergers. There is a need to further strengthen effective mechanisms of market monitoring, surveillance and enforcement. The Competitiveness and inclusive growth cluster includes the chapters of the acquis on Information society and media, Taxation, Economic and monetary policy, Social policy and employment, Enterprise and industrial policy, Science and research, Education and culture, and Customs union. Moldova has achieved particularly good results in the area of customs, with new legislation to counter smuggling and import tax evasion, and to increase customs investigations and agreed with the EU a Mutual Recognition of Authorised Economic Operators programmes. The new Customs Code that will enter into force in 2023 is aligned with the Union Customs Code, with a few exceptions. Moldova's association to Horizon Europe is a successful instrument for integration with the EU's practices in the field of research and innovation [6, p. 11]. There are other areas in the cluster where approximation to the EU acquis is still limited, for example in social policy and employment. The Green agenda and sustainable connectivity cluster includes the chapters of the acquis on Transport policy, Energy, Trans-European networks, and Environment and climate change. Moldova achieved particularly good results in the area of TEN-T networks. The TENT network was extended to Moldova in 2019 with the identification of 17 priority projects with an investment of 917 million Euro. Over 62% of the priority kilometres in rail and road connections have been completed or are underway. The Common Aviation Area

Agreement signed in 2013 integrates the Moldovan and EU aviation markets, while providing for progressive alignment with the relevant EU acquis. Although some preparatory work has been done, significant efforts are needed, coupled with political and financial support, to align Moldovan legislation with the EU acquis in the field of Environment and climate action. Meaningful reforms will be needed in view of European Green Deal targets. There are other areas where approximation with the EU acquis is still limited such as Energy. Moldova's membership of the Energy Community supports the adoption of the reforms needed in the energy market, with unbundling, and certification of electricity and gas transmission system operators the main priorities. The Strategic high level dialogue with Moldova on energy, launched in 2021, has helped to accelerate the transformation of Moldova's energy network and secure short-term security of supply by diversifying energy sources in line with the REPowerEU Plan. The dialogue provides a platform to enhance the implementation of the EU acquis towards green transition and climate-neutrality. It also enables coverage of more recent EU acquis not included in the Association Agreement as well as governance and financial aspects needed for their implementation.

The cluster Resources, agriculture and cohesion includes the chapters of the acquis on Agriculture and rural development, Food safety, veterinary and phytosanitary policy, Fisheries, Regional policy and coordination of structural instruments, and Financial and budgetary provisions. Moldova achieved particularly good results in the area of Agriculture and rural development where it has implemented a substantial part of the EU acquis in the areas of quality policy, organic farming, marketing standards, products, fruits and vegetables, marketing standards for animal products. The country has started to implement some key mechanisms for regional

policy. The approximation to the acquis in the area of Food safety, veterinary and phytosanitary policy is limited.

The cluster External relations includes External relations and Foreign, security and defence policy. As regards the EU Common Foreign and Security Policy positions, the alignment rate with relevant High Representative statements on behalf of the EU and Council Decisions was 62% in 2021 (2020: 68%; 2019: 80%; 2018: 72%, 2017: 69%). A high level political and security dialogue with Moldova was launched in March 2022 to complement the regular exchanges under the Association Council and further promote gradual convergence on foreign and security matters [7, p. 3]. Moldova contributes to Common Security and Defence Policy missions, with one military staff representative seconded to the EU Military Training Mission in Mali since September 2020. There is scope to further enhance cooperation in the area of Common Security and Defence Policy and to increase Moldova's convergence with Common Foreign and Security Policy including on all EU positions .

## **Conclusions**

Moldova is a parliamentary democracy that has recently embarked on a strong reform agenda despite a series of exogenous crises. The parliamentary nature of the democracy has been confirmed by recent competitive elections at parliamentary and presidential level. The country's legal and constitutional framework largely corresponds to European and international standards. The framework for a modern public administration is established including policy development and coordination mechanisms and the government has made progress on Public Financial Management. Adequate institutional and public administrative capacity needs to be ensured for policy development, enforcement of legislation and policy implementation.



After the 2014 banking fraud, Moldova has undertaken a major overhaul of its justice and anticorruption systems. On justice reform, the country took decisive steps including constitutional reforms to improve the functioning of the judiciary, which still requires improvements on its transparency, integrity and accountability. Similarly, on the fight against corruption which remains a serious concern, specialised anti-corruption institutions are in place with further efforts needed to bring corruption cases to courts and to prosecute them efficiently. The framework for fundamental rights and freedom of expression generally follows European and international standards. Moldova has made important progress in freedom of the media, despite its media concentration and opaque financing. Further efforts are needed to ensure access to information of public interest and safeguard the independence of journalists.

Overall, as regards the political criteria, Moldova has a solid foundation in place to reach the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. As regards the economic criteria, Moldova has pursued reasonably sound macroeconomic policies, significantly strengthened financial sector stability, and improved the business environment. Moldova needs to address inefficiencies to attract more foreign private investment and enhance public and private investments in strategic infrastructure, education and innovation. Key areas for improving the functioning of its market economy include reducing corruption and pursuing justice reforms, the enforcement of property rights, further development of a more dynamic business environment as well as better corporate reform of the governance of state-owned enterprises sector with a view to reducing its size. Similarly, improvements are needed in energy security to reduce the energy intensity of the economy and society. Furthermore the country's

capacity to cope with the competitive pressure in the EU will depend on a more robust and diversified job market and the reduction of the labour force drain, improving Moldova's growth potential and external competitiveness.

As regards the capacity to fulfil the obligations of membership, Moldova has worked since 2016 on the implementation of the EU-Moldova Association Agreement, including a Deep and Comprehensive Free Trade Area (AA/DFCTA). These agreements already capture significant amount of the EU acquis and Moldova has gradually taken up the alignment process across many segments and has a satisfactory track record of implementation, while in some sectors the process is more advanced than in others. Overall, Moldova has established a solid basis for further alignment. Moldova is a European State committed to respecting and promoting the values on which the European Union is founded. The Commission therefore recommended to the Council that Moldova should be given the perspective to become a member of the European Union.

The Commission recommends that Moldova be granted candidate status, on the understanding that the following steps are taken:

- complete essential steps of the recently launched comprehensive justice system reform across all institutions in the justice and prosecution chains, to ensure their independence, integrity, efficiency, accountability and transparency, including through efficient use of asset verification and effective democratic oversight; in particular, fill all the remaining vacancies of the Supreme Council Magistracy and in its specialised bodies;

- across all these areas, address shortcomings identified by OSCE/ODIHR and the Council of Europe/the Venice Commission;

- deliver on the commitment to fight corruption at all levels by taking decisive steps towards proactive and efficient investigations, and a credible track

record of prosecutions and convictions; substantially increase the take up of the recommendations of the National Anticorruption Centre;

- implement the commitment to “de-oligarchisation” by eliminating the excessive influence of vested interests in economic, political, and public life;

- strengthen the fight against organized crime, based on detailed threat assessments, increased cooperation with regional, EU and international partners and better coordination of law enforcement agencies; in particular, put in place a legislative package on asset recovery and a comprehensive framework for the fight against financial crime and money laundering, ensuring that anti-money laundering legislation is in compliance with the standards of the Financial Action Task Force (FATF);

- increase the capacity to deliver on reforms and provide quality public services including through stepping up implementation of public administration reform; assess and update the public administration reform strategy;

- complete the reform of Public Financial Management including improving public procurement at all levels of government;

- enhance the involvement of civil society in decision-making processes at all levels.

- strengthen the protection of human rights, particularly of vulnerable groups, and sustain its commitments to enhance gender equality and fight violence against women;

It is expected that the Commission will monitor

Moldova’s progress in fulfilling these steps and report on them, together with a detailed assessment of the country, by the end of 2022.

### **Bibliographical references**

1. <https://mfa.gov.md/en/content/moldova-eu-relations> P.1-4. Seen on September 21, 2022.

2. <https://mfa.gov.md/ro/content/maeiexplicaaaderarea-la-ue> P.1-5. Seen on September 9, 2022.

3. <https://www.consilium.europa.eu/ro/policies/eastern-partnership/moldova/> P.1-9. Seen on August 10, 2022.

4. <https://www.coe.int/en/web/portal> P. 1-7. Seen on August 19, 2022.

5. <https://maia.gov.md/ro/content/asisten%C8%9B%C4%83-extern%C4%83-1> P. 1-2. Seen on August 30, 2022.

6. [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_22\\_3801](https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3801) P. 1-12. Seen on September 25, 2022.

7. <https://mfa.gov.md/en/content/new-data-protection-law-line-european-standards-provides-transparent-rules-benefitting> P. 1-3. Seen on August 10, 2022.

8. Six months and twenty three lessons. What the world has learned from Russia’s war in Ukraine. P. 11-17. <https://www.atlanticcouncil.org/blogs/new-atlanticist/six-months-twenty-three-lessons-what-the-world-has-learned-from-russias-war-in-ukraine/> Seen on September 27, 2022.

9. BURAS, P. EU survive and thrive. P. 41-55. <https://ecfr.eu/publication/survive-and-thrive-a-european-plan-to-support-ukraine-in-the-long-war-against-russia/> Seen on August 29, 2022.