Europe – Moldova

- Since enlargement in 2004 the European Union has intensified its cooperation with its new neighbours. We have adopted a so called Neighbourhood policy, which aims to strengthen EU relations with its neighbours and to promote stability, democracy and prosperity on its borders. The neighbourhood policy has as its vision ‘a ring of countries, sharing the EU’s fundamental values and objectives, who will enjoy an increasingly close relationship, which goes beyond cooperation to involve a significant measure of economic and political integration’.

- These aims are to be achieved through the so called ‘action plans’ between the EU and each neighbouring country. The APs provide the framework for strengthening the political dialogue, trade relations, promoting reforms, as well as measures to prepare partners for gradually obtaining a stake in the EU’s internal Market, justice and home affairs, energy, transport and environment.

- The ENP Action Plan, which was adopted with Moldova in February, aims primarily at advancing the process of political and economic reform in Moldova. The approximation of Moldovan legislation, norms and standards to those of the European Union is an important aspect of this endeavour. This should result in further economic integration and stronger trade relations, promoting also investment and growth. It will also help draft and implement policies that will contribute to the long term objective of sustainable development.

- Instrumental for obtaining these goals is a well functioning democracy based on the rule of law. If the rule of law does not prevail, it is impossible to move forward in other areas, including in economic development.

- Moldova has made significant progress towards meeting European standards in several areas. The parliamentary elections of 6 March 2005 complied generally with most Council of Europe and OSCE standards, although the pre-election campaign did not meet the essentials for a genuinely democratic election process. Nevertheless, the country is now enjoying a clear political consensus, with the political leadership in government and Parliament alike taking a clearly pro-reformist and pro-European line.
• However, there is still work to be done in improving the functioning of democratic institutions. It is important to secure the independence and efficiency of the judiciary. Priorities are in particular in the fields of civil and criminal procedures, judicial organisations, the status of judges, the strengthening of the independence of the judiciary and the enforcement of judicial decisions.

• In addition, the extended competence of the General Prosecutor’s office remains a subject of concern. And most importantly, it is necessary to improve the working environment of the judicial professions; to change old practices and mentalities; to guarantee the full independence of the justice, to eliminate corruption within the system and to train magistrates up to the highest standards.

• A serious impediment to the development of the country is corruption. Unfortunately, Moldova is one of the European countries most affected by this scourge. Perhaps not surprising, bearing in mind the severe economic difficulties that the country has experienced and the low wages and social benefits. The government has taken serious steps to solve the problem, for instance in adopting an Anti-corruption Strategy and Action Plan. However, the main institutional instrument to make progress in this area has for different reasons not been able to fulfil its mandate.

• Closely linked to corruption and organised crime – which is another serious problem that affects Moldova in particular – is the Transnistria conflict. The Transnistria dispute heavily affects Moldova’s foreign relations and its internal development.

• For this reason, the European Union on the basis of the Neighbourhood policy has engaged itself politically and economically in facilitating a solution to the conflict. In March, the EU decided to appoint an EU Special Representative to the region with the Transnistrian conflict as his main task. And only a few weeks ago the Commissioner for External Relations opened an official Commission delegation in Chisinau which sets the framework for a close working relationship between the EU and Moldova.

• The efforts of the EU with regard to the Transnistrian conflict have been greatly advanced by the new winds that are now blowing in Ukraine. Ukraine for instance has presented new proposals for the settlement of the Transnistria conflict and supported the inclusion of the EU and the US as observers in the negotiation format. And upon request of the Presidents of Moldova and Ukraine, the EU has agreed to establish a Border Mission on the border between the two countries, including on the Transnistrian segment. The mission intends to enhance the capacities of the Ukrainian and Moldovan services, create transparency and cooperation between the two countries on the border and may also contribute to paving the way for a settlement of the Transnistria conflict.
Having said all this, I have to add that the Moldovan economy over the last years has experienced strong growth. The poverty rate has been reduced by half and the GDP has lately been growing by 6-7% annually (8.6% in real terms in January-June 2005). Part of this picture is the remittances form workers abroad. Moldova has currently approximately 400,000 people who work abroad - which is the equivalent of approximately 40% of the economically active population, and which of course, is not sustainable in developing a solid economy.

Nevertheless, the current account balance worsened over the first half of 2005, the industrial growth was below 5%, and coupled with the growing energy prices, the outlook is not too bright, unless the government pursues real policies to enhance the competitiveness of the Moldovan economy.

To conclude, there is definitely a political commitment in Moldova to turn the country around and bring it up to European standards. Laws are being passed, not only with regard to strengthening the administrative and judicial capacity, but also in the economic area, where legislative approximation to the European Union is taking place across the board.

The EU is there to assist through the Neighbourhood programme, and now more hands on through our presence on the ground. We are targeting Moldova for important programmes of assistance to enhance the administrative capacity through TWINNING and TAIEX, in addition to our more general technical TACIS assistance. In the period of 2005-2006 an increase of 17% in our TACIS assistance is expected to take place and an extra 10 mio. € will be allocated under the Neighbourhood programme. From 2007 a more flexible European Neighbourhood and Partnership Instrument will be launched.

We will work together; the European Union will assist as best it can. But there should be no doubt. The hard job of carrying out sweeping reforms rests with Moldova itself. And adopting laws does not suffice. Implementation is crucial. That is key for the European Choice. But this choice – painful as it may be to carry out - has its own reward, as will be evident concurrently with Moldova moving towards the goal of the neighbourhood policy: stability, democracy and prosperity.

Thank you.