Moldova

by Victor Gotișan

Capital: Chișinău

Population: 3.553 million

GNI/capita, PPP: US$5,350

Source: World Bank World Development Indicators.

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

The appointment of a new government, presidential elections, and continued fallout from the 2014 “billion-dollar theft” scandal in the banking industry dominated 2016 in Moldova. At the beginning of the year, the Democratic Party of Moldova (PDM), led by the unpopular oligarch Vladimir Plahotniuc, was able to consolidate its control over governing institutions despite widespread protests. Although civil society objections and demonstrations led by the “Dignity and Truth” civic platform prevented Plahotniuc himself from becoming prime minister, PDM was able to secure the nomination of Pavel Filip, a former minister of information technologies and communications and reportedly a close Plahotniuc associate. The new government was installed in January during an undisclosed, late-night ceremony and only later confirmed by a press release from the president’s office. This left the premiership and speaker of parliament positions in the hands of PDM, an unusual concentration of power for a party that placed fourth in the last parliamentary elections in 2014.

On entering office, the Filip government not only had to stabilize the political situation and win back public trust but also gain the confidence of Moldova’s international partners, whose financial support is crucial for the country’s economic survival. Consequently, the government drafted a Priority Reform Action Roadmap with key measures to adopt from March to July 2016. The government’s commitment to swiftly undertake a series of complex reforms that had been postponed for several years was intended to demonstrate its decisiveness, but it achieved only partial implementation. At the end of the five-month period, a monitoring report by local think tanks found that only slightly more than half (55 percent) of the pledged reforms were achieved without deficiencies, 28 percent were achieved with deficiencies, and about 17 percent were not achieved. The most significant overdue actions were the reform of the National Anticorruption Center (NAC) and adoption of a new Broadcasting Code. The investigation into the 2014 billion-dollar bank fraud and reform of the National Bank of Moldova (NBM) also continued to drag, and the government failed to sign a new electricity supply contract with more favorable terms.

In 2016, mass media remained under political control, clearly visible during the presidential campaign when media institutions were preoccupied with polishing candidates’ images rather than informing the public. The law on media ownership transparency enacted in November 2015 requires owners to disclose their identities, but complementary provisions on transparency of media funding still have yet to be adopted. The advertising market remained monopolized in 2016.

Civil society was active throughout the year pressing social and political issues, such as the billion-dollar fraud; the closed trials of former prime minister Vlad Filat, controversial businessman Veaceslav Platon, and Orhei mayor Ilan Shor; and the appointment of compromised individuals to key positions in law enforcement bodies. Civil society input was seldom taken into account, however, and the parliament and government continued to drag their feet on laws and mechanisms that would improve cooperation with the civil sector. The protest movement initiated in 2014 by “Dignity and Truth” continued its demonstrations in central Chișinău until March 2016, when a ruling of the Constitutional Court restored the former mechanism of direct presidential elections instead of indirect parliamentary vote, meeting one of the civic platform’s key demands. The parliament set 30 October as the date for the presidential elections, and protest leaders refocused their agenda on engaging in the presidential campaign.

Judicial reform also proceeded slowly in 2016. The appointment procedure for judges and key officials continued to be a source of concern, especially in terms of candidates’ integrity. At the same time, intimidation of judges who do not conform to political orders also posed a problem. The most prominent example was judge Dominca Manole who faced criminal proceedings after ruling in April that the Central Electoral Commission’s refusal to organize a constitutional referendum as petitioned by “Dignity and Truth” had been illegal. Several law packages and initiatives were adopted, including a law on the prosecution and reforms of the NAC and National Integrity Commission (NIC), but most of these
will either enter into force in 2017 or their implementation and enforcement are being stalled to preserve political influence over the institutions concerned.

In 2016, Moldova’s banks remained fragile in the aftermath of the billion-dollar fraud scandal. At year’s end, three banks (Moldova Agroindbank, Moldindconbank, and Victoriabank) were still under the monitoring of the NBM. Sergiu Cioceia was appointed the new governor of the National Bank of Moldova (NBM) in April, pledging to do his best to achieve stability in the banking sector and try to recover the stolen billion, “even if it is very difficult to do.”

For the first time since 2000, the president of Moldova was elected directly in a two-round process in the fall. In the second round in November, the pro-Russian candidate Igor Dodon of the Party of Socialists of the Republic of Moldova (PSRM) defeated the pro-European Maia Sandu, the candidate of Action and Solidarity Party, also supported by “Dignity and Truth” and the Liberal Democratic Party of Moldova (PLDM). Dodon earned 52.11 percent of the votes against Sandu’s 47.89 percent. His victory was attributed mainly to his promises to improve economic relations with Russia as well as anti-Europe rhetoric. However, it remained unclear whether he would succeed in improving economic relations with Russia given the relatively limited powers of the president. At the same time, his rhetoric could contribute to the worsening of relations with the European Union (EU).

Score Changes:

- **Judicial Framework and Independence rating declined from 4.75 to 5.00** due to intimidation of judges who are not in line with the political agenda, lack of reforms to ensure integrity in the appointment of judges, and the politicized decision of the Constitutional Court that preempted a popular mobilization in favor of direct presidential elections.

As a result, Moldova’s Democracy Score declined from 4.89 to 4.93.

**Outlook for 2017:** The year 2017 will be decisive for the Republic of Moldova. After the presidential elections, the government now must implement the most important reforms related to justice, fighting corruption, adoption of the legal framework for the media sector, and stabilizing the banking industry and economy in the face of persistent unemployment and declining remittances. Vladimir Plahotniuc’s Democratic Party of Moldova (PDM) is in control of the policy agenda, and early parliamentary elections could lead to a reconfiguration of the political scene as several parliamentary parties at year’s end polled below the threshold.

The government, and especially PDM, will likely lobby for modifying the Electoral Code by adopting a uninominal or mixed electoral system in order to gain an advantage during the next parliamentary elections. The presidency has no new powers, but his direct election may allow President Dodon to project his agenda onto the public and state institutions. Relations with the EU will stagnate, at best, and could see a downturn if Dodon pursues his anti-European agenda. The president promised to work at improving relations with Russia by negotiating better market access for Moldovan goods and Moldovan workers in Russia.
National Democratic Governance

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- The controversial appointment of a new government headed by Pavel Filip in January ended a three-month deadlock after the dismissal of the previous Valeriu Strelet cabinet due to allegations of corruption. Filip was seen as a compromise between President Nicolae Timofti and a slim majority coalition in the parliament, after the president had blocked the appointment of Vladimir Plahotniuc, a controversial politician and then-president of the Democratic Party of Moldova (PDM). The Filip government proposed an ambitious roadmap to fight corruption, reform the justice sector and the prosecutor’s office, restart negotiations with the International Monetary Fund (IMF), guarantee independence of the National Bank of Moldova (NBM), and bring to justice those accountable for the massive bank fraud in 2014. However, the majority of reforms stipulated in the Priority Reform Action Roadmap had not been achieved by year’s end, underscoring the argument that the government’s show of willingness only served to secure IMF funding and gain public legitimacy.

- In fall 2016, direct presidential elections took place in Moldova for the first time since 2000. In the second round of the elections on 13 November, Igor Dodon (Party of Socialists of the Republic of Moldova, PSRM) won with 52.11 percent of the ballots against 47.89 percent for Maia Sandu (Action and Solidarity Party, supported by Dignity and Truth civic platform and Liberal Democratic Party of Moldova, PLDM). Dodon is pro-Russian in his outlook, and although the presidency’s role in setting policy is limited, he is expected to seek greater engagement with Russia at the expense of relations with the European Union (EU).

- The presidential campaign was perhaps the dirtiest in Moldovan political history, marked by partisanship, divisiveness, and personal attacks among the candidates. Old ethno-linguistic divisions, misogyny, manipulated and false information, homophobia, and geopolitical fearmongering were perpetuated via controlled and biased media outlets. The Orthodox Church played a significant role in this campaign, publicly backing Igor Dodon and questioning Maia Sandu’s faith as well as sexual orientation despite legal provisions restricting the church from involvement in politics. According to opinion polls, the Orthodox Church is the most trusted institution in Moldova with approximately 80 percent approval.

- Two years after the “billion-dollar theft,” the situation of Moldova’s banking industry remained very fragile. During the year, three banks (Moldova Agroindbank, Moldindconbank, and Victoriabank) were still under NBM monitoring with no resolution of their management problems. The newly appointed governor of NBM pledged to do his best to achieve stability in the banking sector and to recover the stolen billion dollars, “even if it is very difficult to do.” In September, the government pushed through (over civil society protests and with little public consultation) a package of seven laws, including one to convert the failed loans into public debt and pay it with a 5-percent interest rate over 25 years. Following the law’s passage, the IMF approved a three-year loan program of $180 million.

- On 1 July 2016, the Association Agreement between Moldova and the EU fully entered into force. The agreement includes creation of a Deep and Comprehensive Free Trade Area (DCFTA) intended to boost EU-Moldova trade and open a larger market for Moldovan products. Data from the European Commission show that, since 2014, Moldovan exports to EU markets have increased two- to fourfold in the case of certain products. Nevertheless, Moldova has been unable to make full use of the quotas for several agricultural commodities due to strict EU standards. A recent report by the European Court of Auditors revealed that Moldova receives the highest amount of EU aid per
inhabitant among all of the EU’s eastern neighbors, mainly in the form of budgetary support. In March, the government announced that conditions to restart the negotiations for settling the Transnistrian conflict had been met. The 5+2 negotiations were interrupted in 2014, and contact between the conflicting sides had declined in recent years. In June 2016, negotiations reopened under Germany’s presidency of the OSCE, with a signed protocol stipulating the joint approach to a number of practical issues for relations between the sides, including recognition of university diplomas and vehicle license plates.

Electoral Process

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- On 23 June, the parliament approved amendments to the electoral code regulating the election of the country’s president. The new amendments reinstated the provisions in effect before 2000, with some changes to suit present-day norms. Among other changes, the amendments reduced the campaign period from three to two months, made registration requirements more stringent, and required that the president give up party membership. According to Promo-LEX, a nongovernmental election-monitoring organization, the legal framework—while approved hastily with certain ambiguities and gaps in regulation—allowed for democratic elections.

- The first round of elections on 30 October included nine candidates. Though no candidate cleared 50 percent, Igor Dodon of PSRM and Maia Sandu of Action and Solidarity Party advanced to the next round. The second round between Sandu and Dodon was held on 13 November, and Dodon won with 52.11 percent of the vote. In Gagauzia, Dodon won practically all votes (98.89 percent), and according to some experts, this was decisive for his victory. The 67,000 who voted for him in this autonomous region represent more than 4 percent of the total turnout, exactly the difference between the two candidates.

- One of the biggest surprises of the campaign was the withdrawal of PDM candidate Marian Lupu just three days before the elections. Lupu, standing with Vladimir Plahotniuc, announced his decision in a press conference, adding that PDM would support Maia Sandu in the elections. Many described this support as a “kiss of Judas,” hurting more than helping Sandu given Plahotniuc’s unpopularity. Sandu herself said that Lupu’s withdrawal was a “desperate gesture confirming that Dodon is the desired candidate of Vladimir Plahotniuc.” Indeed, according to media monitoring organizations, the outlets owned by Plahotniuc presented Dodon in a neutral light, while waging a massive campaign against Sandu. In addition, there were cases where PDM activists campaigned for the PSRM candidate.

- While the election monitoring mission of the Organization for Security and Co-operation in Europe’s Office for Democratic Institutions and Human Rights (OSCE/ODIHR) concluded that the presidential election in Moldova was competitive and showed respect for fundamental freedoms, there were still troubling cases of voter manipulation and electoral fraud. The main conclusion of Promo-LEX’s report was similar, pointing out the misuse of administrative resources, restrictions on citizen’s ability to cast their votes, as well as the negative campaign.

- The election saw an unusually high number of votes from Moldovan citizens residing in Transnistria. According to numerous media reports, there was a concerted effort to bribe and bus people from Transnistria into Moldova proper to vote for Dodon. Around 20,000 Transnistrians voted in 2016 compared to almost no participation in previous elections. This mobilization effort would have been impossible without the explicit approval of the pro-Russian Transnistrian authorities. Some voters from Transnistria confirmed on camera that it was Transnistrian leader Yevgeny Shevchuk who mobilized them.
Another voting issue related to “dead souls.” In early September, investigative journalism outlet RISE Moldova analyzed a list of 300 deceased persons and reported that 100 names were included in the election lists of the State Registry of Voters (SRV). Shortly thereafter, the CEC issued a press release confirming the problem and announced an internal control procedure to check the register.

More than twice as many Moldovans living abroad voted compared to the parliamentary elections in 2014. This occurred despite a limited number of polling stations opened by the Moldovan government abroad, even though the CEC had received clear signals that the diaspora turnout would be higher. In at least 11 polling stations abroad, there were not enough ballots for all who came to vote. As a result, some candidates and civil society members called for a change in the electoral code that would allow for more people voting per station, and they demanded the resignation of the CEC and Minister of Foreign Affairs and European Integration (MFAEI) for not foreseeing and solving this issue in advance. The CEC was also blamed for limiting journalists’ access to public information pertaining to the election process and candidates registered in presidential elections. Nevertheless, the Constitutional Court confirmed the election results on 13 December and validated the mandate of Igor Dodon as the new president of Moldova.

Civil Society

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Civil society organizations (CSOs) play an important role in Moldovan public life. In 2016, over 700 new organizations were founded, raising the country’s official total to 11,086 (though some are not functional). Despite the high number of CSOs and level of activism, the government continually ignores civil society. While more open to civil initiatives in 2016, the government’s actual policies were not impacted by public discussions or civil sector demands, such as calls for an open hearing in the case of those accused in the banking industry’s “billion-dollar theft.”

Massive protests initiated by the “Dignity and Truth” civic platform in 2015 declined in 2016 and almost completely stopped after the Constitutional Court’s March decision, which undercut the platform by fulfilling protesters’ demand for the direct election of the president. While Dignity and Truth collected around 400,000 signatures supporting a referendum on the issue, the CEC rejected the signatures on technical grounds in April. The court and CEC decisions, combined with the arrest of several protesters as well as rising apathy among the Moldovan population, gradually eroded Dignity and Truth’s capacity to mobilize for further protests.

The regulatory framework for CSOs has improved slowly and with great difficulty, as the government appears to consciously delay drafting and voting on initiatives proposed by organizations. In March 2016, the Ministry of Economy published a draft law on social entrepreneurship followed by a note announcing public consultations. The law would allow nongovernmental organizations to generate income and consolidate their financial situation, but no further action was taken during the year. In September, the ministry held public consultations about a new draft regulatory framework, but no law had been adopted by year’s end. One important bill, however, was passed during the year. The so-called 2-procent law, adopted in July, grants taxpayers the right to redirect 2 percent of their income tax to CSOs and religious organizations for funding purposes.

In its 2015–18 action plan, the government made cooperation with CSOs a priority, even though it had previously failed to implement its promises in this area. One evaluation found that only 27 percent of commitments in the 2012–15 Civil Society Development Strategy (CSDS) were achieved. In August, due to the joint efforts of Legal Resources Center Moldova (LRCM) and several other CSOs, the government adopted a new regulation that requires consulting civil society in the public decision-making process. Consequently, all public documents are now subject to public
consultation at least 15 days in advance of their adoption, and local and central authorities must publish information of public interest in a transparent and accessible way on their websites. The regulation also obligated the government to create a special task unit to coordinate and facilitate cooperation with CSOs, to set up a dedicated phone line to inform them on policymaking, and publish an annual report as to how new regulations are put into practice in the field.

### Independent Media

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- The media sector is still one of the most influential pillars in Moldovan society, ranking only behind the Orthodox Church and mayors in terms of public trust. However, trust in media has been dropping: In 2014, about 60 percent of the population had high trust in the media, whereas by April 2016 only 42 percent of respondents said the same. This change is due mainly to the politicization and concentration of outlets in the hands of oligarchs as well as their struggle for dominance fought through the media.

- Politicization and concentration remained among the biggest problems during the year. The 2015 amendments on media ownership transparency have proved inadequate because they fail to address transparency in financing. Data released by the Broadcasting Coordinating Council (BCC) showed that over 80 percent of TV stations are owned by Moldovan politicians or people close to political parties. In fact, Vladimir Plahotniuc owns about 70 percent of Moldova’s television market. Concentration based on political criteria has led to a decrease in the pluralism of opinion and the quality of content delivered to media consumers.

- In 2016, television remained the main source of information for 78 percent of the population, followed by the internet, radio, and print media. The internet continued its ascent in terms of popularity, and by 2016 internet penetration rates had reached 51 percent. While online outlets experienced a qualitative leap in public trust among consumers, the medium is not immune to battles for control among oligarchs and government officials. The competitive strategy has been to buy existing outlets and launch new ones, infesting cyberspace with bogus sites and flooding it with hired bloggers and paid online commentators.

- There were a number of legislative changes in 2016. In March, the minister of interior prepared a new draft law to combat child pornography and terrorism. Some of its provisions granted surveillance rights to investigative authorities, including the right to block certain websites and read private emails and text messages. This so-called big brother law was considered an attack on the internet and was denounced by civil society, which asked for amendments to the legislation. In the same month, the parliament appointed the last two individuals on the nine-member Supervising Council (SB) of the Public Broadcaster Teleradio Moldova, filling vacancies that had been open since 2013. However, the appointment of council members remains in essence politically controlled. In November, the parliament passed a law intended to increase transparency and facilitate journalists’ work based on a 2015 advocacy campaign by the Independent Journalism Center (IJC).

- The current Broadcasting Code, enacted in 2006, remained outdated and bloated with amendments—104 in just 10 years. Many argue that the parliament has failed to address this problem due to the influence of politicians who own outlets and therefore benefit from the vagueness of the situation. In July 2016, the parliament finally voted in the first reading on a new draft code that had been pending for a year. However, most media institutions and experts claim the new bill (drafted in 2011)
already needs to be updated because it does not deal with problems like digitization, advertising, and foreign propaganda. At year’s end, the new code was sent to international organizations for recommendations.

- In July 2016, the parliament adopted in the first reading two draft laws to limit foreign broadcasts and broadcasts in foreign languages. Besides already being part of the new draft of the Broadcasting Code, media experts said the proposals would result in restricting pluralism and freedom of expression, and would increase media monopolization by local oligarchs as a result of the disappearance of some TV stations from the market. The OSCE representative on freedom of the media, Dunja Mijatović, criticized the amendments, saying it is “counterproductive to try to limit speech through excessively restrictive legislation.”

- Moldova’s advertising market has grown over the last five years and in 2016 constituted around EUR 22 million. Broadcasting accounts for about 55 percent of the market; but the largest advertising agency, “Casa Media Plus,” allegedly owned by Vladimir Plahotniuc, has a monopoly on the market. In November, IJC presented recommendations for updating the legal framework, but the majority of experts doubt there is political will for reform.

- Threats against independent journalists and media outlets returned to the sector in 2016. During the year, over 20 instances of threats were registered, several involving Jurnal TV employees. Jurnal TV host Constantin Cheianu received several text messages warning him to stop talking about “the oligarchic system in power,” and on 2 August a gunshot was fired in front of the window of his daughter’s flat. Two weeks earlier, a Jurnal TV crew was assaulted in the Orhei town hall. In the same period, TV 7 talk-show host Natalia Morari, renowned for criticizing the government, said she had received threats warning her about plans to silence her.

- The 2016 presidential campaign demonstrated how the mass media fails to provide citizens with accurate information. Monitoring reports showed that most of the news published or broadcast during the election campaign contained opinions and comments rather than facts. Media used survey data to manipulate public opinion, and television channels owned or controlled by politicians turned their newscasts into opinion programs with manipulative headlines. In the election campaign, controlled media avoided commenting on some candidates, like Maia Sandu, who in turn used grassroots and social media to promote themselves.

- Online media played an important but also flawed role in the election campaign. On the one hand, it helped mobilize people to vote. On the other, it was used as a tool of manipulation and propaganda. Before and during the election campaign, a number of online outlets were launched with the clear purpose of distributing false and defamatory information, which then was replicated and disseminated by “mainstream” outlets. This misinformation and bad reporting primarily targeted Maia Sandu, with stories claiming that gays would vote for her, that she had promised the EU she would accept 30,000 Syrian immigrants if she won, or that the education reform she led as minister of education had increased the rate of suicide among children and teenagers. Regulatory bodies in the field did not address these issues in a timely and correct manner. For example, the BCC started the monitoring process late in the campaign, overlooking serious misconduct that led to suspicions that this occurred on purpose.

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- The first round of elections for the Popular Assembly of the Gagauz Autonomous Region took place on 20 November 2016. Seventeen candidates won outright, including 13 independent candidates, three candidates of PSRM, and only one representative of PDM. The second round on 4 December
brought a turnout similar to the first round at 42.2 percent. The elections represented a visible failure for the socialist party: out of the 21 PSRM candidates who were registered, only three were elected in the first round and two in the second round. Despite the fact that only six deputies among those elected represent political parties (one from PDM and five from PSRM), civil society representatives believe that the majority of the remaining independents will promote a policy loyal to the existing pro-Russian head of the region, Irina Vlah.

- In the presidential election, overwhelming support in Gagauzia went to PSRM’s Igor Dodon, just as Irina Vlah had won the position of Baskan (Head) of Gagauzia in 2015 with PSRM backing. Thus the local elections showed that although voters in Gagauzia support usually pro-Russian candidates in nationwide elections, for the Popular Assembly they trust more local independent candidates.

- Overall, regional electoral rules are highly favorable to independent candidates as opposed to political parties. However, both party and independent candidates used similar campaign tactics as in previous elections: hardcore pro-Russian rhetoric and a push for greater autonomy from the central government. This was juxtaposed with the conflicting narrative of the rhetorically pro-EU Chișinău.

- Several local politicians changed parties in 2016, presumably in the hope of being compensated, or potentially due to threats and blackmail. In April, a number of locally elected officials from PLDM and Party of Communists of the Republic of Moldova (PCRM), including mayors and district councilors, announced their decision to join PDM. A similar swing took place in May when mayors and district councilors from Călărași left the PLDM to join PDM. The most recent case was Alexandru Ambros, mayor of Ungheni municipality representing PLDM, who moved to PDM in September.

- On 4 April, Sergei Filipov, the mayor of Taraclia, was dismissed after the Cahul Appeals Court ruled against him for cutting down several dozen trees in the city square. The court applied a fine of 8,000 MDL, obliged him to recover the public damages accounting for 164,000 MDL, and ultimately deprived him of the right to hold office for two years. Filipov claimed the ruling was PDM’s revenge for his refusal to vote for Marian Lupu in the 2009 presidential elections. The Head of the Delegation of the European Commission in Moldova stated that he remained “puzzled and disappointed by a politically motivated sentence.” In August, the Supreme Court suspended the decision and Filipov was reinstated as mayor. Nevertheless, this case shows the serious threats to the autonomy of local public administration in the country.

- In April, the Gagauzia assembly adopted a local Law on Education. Among its stipulations are the ability to issue locally created annexes to diplomas, a gradual move toward some classes in the Gagauz language, and introduction of an in-depth study of the history of the Gagauz people. The central Ministry of Education reacted negatively, saying that the law claimed to be legally superior to the Educational Code of the Republic of Moldova. Additionally, the law stipulates returning to the Russian system of eleven grades, and specifies the language of education as Gagauz, Romanian, or Russian. Since the Educational Code only names Romanian as Moldova’s official language, the law could serve as a means to further enforce Russian as a key language in the region.

- The Law on Decentralization has yet to enter into force. On 4 March, the parliament approved Law No. 2474 that allows the local public authorities (local councils) to change the dispensation of agricultural lands. In this way, local councils in Moldova would have a full mandate to enforce Article 11 of the European Charter of Local Autonomy of the Council of Europe. The law would give local governments substantially more financial autonomy and other important powers, such as the right to appeal directly to the Constitutional Court on issues of their particular concern. In July, the government approved a strategy on the reform of public administration for the period 2016–20. The document provides mechanisms for modernizing local public institutions and creates prerequisites for sustainable development.

- Despite being a key suspect in the billion-dollar bank fraud, Orhei mayor Ilan Shor remained only under house arrest in 2016 and continued to manage the daily activities of the city. In March, Shor admitted to withdrawing $250 million from the Moldovan banking system and offering it to
Judicial Framework and Independence

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- On 4 March, the Constitutional Court ruled that citizens, rather than the parliament, should elect the president—as had been the case before 2000. While opinion polls consistently show that 80 to 90 percent of citizens prefer direct presidential elections, the ruling spurred controversy. The opposition had demanded direct presidential elections but said they should be enacted following a popular referendum, and had gathered close to 400,000 signatures to this effect. When the Central Electoral Commission (CEC) rejected these signatures and the court itself established the right to direct elections, it deprived the opposition of an important mobilization opportunity. Consequently, PCRM decided to boycott the elections, arguing they were triggered by an illegal decision of the court instead of a referendum.

- The influence of politics is perhaps the greatest challenge for Moldova’s justice system. Instances of judges receiving disciplinary action or even criminal prosecution after criticizing the system have proved that alternative views in the judiciary are still not tolerated. In May 2016, the Superior Council of Magistrates (SCM) lifted judge Domnica Manole's immunity after interim general prosecutor Eduard Harunjen requested the initiation of criminal proceedings against her for ruling in April that the CEC’s refusal to organize a constitutional referendum as petitioned by “Dignity and Truth” was illegal. The judge stated during a TV talk show that she had been intimidated and threatened.

- Reforms included in the Strategy for Justice Sector Reform 2011–16 continued at a slow pace. While several lower-level laws have been adopted (concerning probation, lawyers, notaries, and so on), high-level reforms have been drawn out or intentionally halted. The February adoption of the Law on the Prosecutor's Office was one of the most significant events of 2016. Provided that it is implemented correctly, the law could not only increase the independence and integrity of prosecutors but also the role and transparency of self-governance bodies within the general prosecutor’s office. In November, the parliament unanimously approved constitutional changes to put the new appointment procedures into effect. According to the new procedure, the prosecutor general is appointed by the president at the proposal of the Supreme Council of Prosecutors (SCP), based on an organized contest. The president can reject the candidate proposed by the SCP only once. The mandate of the prosecutor general is nonrenewable and expires after seven years.

- On 7 December, the SCP announced that interim prosecutor general Eduard Harunjen would be its candidate. While Harunjen’s candidacy gained unanimous support from the SCP, civil society criticized the nontransparent procedure. Nicolae Timofti, president of Moldova at the time, signed the appointment immediately and Harunjen took the oath the same day. The appointment was announced only thereafter in a press release, underlining the government’s refusal to cooperate with civil society on the topic. Several organizations signed a petition asking the president to make public the information about Harunjen’s integrity report. The organizations also asked the newly appointed prosecutor general to provide a public explanation for the origins of his wealth as well as
his actions in a 2009 case in which Harunjen refused to initiate an investigation into the death of a protester during antigovernment riots.\footnote{119}

- A second ambitious reform, to reorganize the court system by reducing the number of courts from the current 42 to 15,\footnote{120} will come into force in January 2017. The law has sparked concerns over a potential violation of citizen rights by imposing the need to travel to courtrooms that are often situated outside Chişinău. In June, the government also approved a draft law on specialized prosecutors.\footnote{121} According to the law, two specialized prosecutor’s offices would be created: the Anticorruption Prosecutor’s Office and the Prosecutor’s Office for Fighting Organized Crime and Special Cases. Still, a number of experts believe the reform could be blocked from within.\footnote{122}

- The SCM was less active in 2016. Similar to previous years, the selection and evaluation of judicial candidates was highly problematic, and CSOs criticized the results of competitions to appoint and promote judges.\footnote{123} Many candidates had integrity issues. One judge who the media reported had disregarded the legal requirement of declaration of income and property and had failed to keep up with her caseload was nevertheless appointed to the Supreme Court of Justice (SCJ) in March,\footnote{124} ahead of more qualified candidates.\footnote{125} In February, the SCM reelected Mihai Poalelungi as chairman of the SCJ in a contest without any other candidates. This de facto appointment raised suspicions and revealed problems with the process itself, which does not regulate the number of applicants for a contest to be valid.\footnote{126}

### Corruption

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- During 2016, the link between corruption and political control over public institutions was underscored by the dragged-out response to the 2014 billion-dollar bank fraud, allegations of selective justice for some politicians, and pressure on the president in the appointment of the prime minister. According to opinion polls, corruption remains one of the country’s biggest problems, along with poverty,\footnote{127} increasing prices, and high unemployment rates.\footnote{128} Approximately one in three respondents said they are most concerned about corruption and that the fight against it was among the top priorities to improve people’s social and economic well-being.\footnote{129}

- In November, Transparency International launched the Global Corruption Barometer for 2016 accompanied by five regional surveys, including of Europe and Central Asia.\footnote{130} Moldovan respondents (67 percent) showed the highest level of concern out of 42 countries in the region regarding widespread corruption. Eighty-four percent considered that the government fights corruption “badly” or “fairly badly,” the second-worst result after Ukraine. Respondents said the institution most affected by corruption is the Parliament of Moldova (76 percent of respondents). The judiciary is also seen as one of the most corrupt sectors with declining public opinion and trust.\footnote{131} Petty corruption is widespread in education (55 percent of respondents paid a bribe), in healthcare (42 percent), and police (39 percent).\footnote{132}

- The “billion-dollar theft” in the banking sector that began in 2014 continued to dominate the country’s politics. In May, Orhei mayor Ilan Shor, who according to a Kroll report was the main beneficiary of the fraud, was placed under house arrest for 30 days by the National Anticorruption Center (NAC).\footnote{133} He was detained again in June and in August.\footnote{134} In June, former prime minister Vlad Filat was sentenced to nine years in prison on charges of abuse of office and corruption and banned from holding public office for five years.\footnote{135} This was the first case in Moldova’s history where a high-ranking official was arrested, indicted, and sentenced to prison for corruption. Both Filat and his lawyers stated that he was “the victim of an act of political revenge by Vladimir
Plahotniuc.” The court proceedings were closed to the public despite repeated calls from the media and civil society for an open hearing. The judges denied the requests, saying it “would jeopardize other pending cases” under investigation at the time.

- In August, the former vice governor of the National Bank of Moldova (NBM), Emma Tabirta, together with two NBM heads were detained by NAC in the so-called Russian laundromat case, a complex money-laundering operation involving more than $20 billion in Russian money. They were charged with neglect of duty resulting in serious consequences for the banking system. The prosecutions continued in September with the detention of 15 judges and 3 court officers.

- In June, the parliament adopted a package of laws to reform the National Integrity Commission (NIC) and the system of wealth declarations. The NIC was renamed the National Integrity Authority (NIA) and now has some 30 integrity inspectors who enjoy functional independence and the power to impose fines for inconsistencies in officials’ wealth declarations. The efficiency of the NIA will depend to a large extent on the professionalism and integrity of its staff as well as the cooperation of state institutions. According to law, the NIA has a variety of tools to fight corruption, but the main work will still be done by the NAC and the new specialized Anticorruption Prosecutor’s Office.

- In December, the parliament registered and adopted in the first reading the draft law on the liberalization of capital and fiscal incentive (Draft law No. 452) and the draft law on amendment of certain legislative acts (Draft law No. 451). Both draft laws were approved with unprecedented haste and in violation of legal norms related to transparency in decision-making and drafting of legislative acts. According to experts, the proposed capital amnesty could lead to the legalization of previously committed acts of corruption and the perpetuation of corrupt state servants, as the relevant state institutions will not be able to verify the origin of declared assets. Civil society qualified these draft laws as dangerous to the entire reform of the system of integrity in the public sector, and asked for their withdrawal.

- In recent years, the media and especially investigative outlets have been among the most important actors informing and educating the public about corruption, as well as calling on the relevant authorities in cases related to the integrity of public servants and officials. For instance, according to the 2014 activity report of the NIC, 354 checks were initiated of which 63 were opened on the basis of information published initially in the media. In-house monitoring by journalists shows that the number of investigations and articles on corruption has increased considerably over the past year. The new NIA, however, will no longer automatically initiate legal proceedings in response to information published by the media. According to the new provisions, journalists will now have to refer each case to NIA, which could lead to fewer checks being initiated.

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