



## Key findings of the 2023 Report on the Republic of Moldova

Brussels, 8 November 2023

On the **political criteria**, Moldova has continued reform efforts to strengthen democracy and the rule of law despite multiple challenges linked to Russia's war of aggression against Ukraine. Good progress was made on electoral legislation over the reporting period in addressing and implementing the remaining recommendations made by the Organisation for Security and Co-operation in Europe's Office for Democratic Institutions and Human Rights (ODIHR) and the Venice Commission, in their opinions issued in December 2021 and October 2022. The electoral legislation has been comprehensively amended to address inconsistencies, and a new Electoral Code was adopted in December 2022. Further amendments to the Electoral Code were adopted in October 2023, which provided for the possibility to ban from running for elected office members of political parties that have been declared unconstitutional by the Constitutional Court. These amendments still need to be consulted with the Venice Commission, to ensure alignment with European standards.

In addition, the authorities need to implement the electoral legislation by strengthening the Central Election Commission with sufficient authority, resources, and technical expertise to carry out its work effectively. Moldova needs to ensure the transparency of political party funding and the accountability of campaign finance. To further reduce the risk of malign interference, the country needs to regulate the involvement of third parties in election campaigns, in line with the Group of States against Corruption (GRECO) and ODIHR recommendations.

Over the reporting period, **Parliament** played a major role in the EU accession process, supporting the government's reform efforts. Distrust and an occasional lack of transparency resulted in a low engagement of the opposition in the law-making process. Further efforts should be made to improve transparency by planning oversight activities and public hearings, publishing the parliamentary calendar sufficiently early, and increasing the level of accountability of parliamentarians. The process of amending Parliament's Rules of Procedures should be accelerated and ensure a broader involvement of civil society. A strong parliamentary majority supported the reforms initiated by President Maia Sandu and the government. A government reshuffle took place in February 2023, and the new government has remained focused on Moldova's reform agenda. The government worked actively on the EU reform agenda and on dealing with the consequences of Russia's war of aggression against Ukraine. It took steps to improve *the transparency of decision-making and democratic accountability mechanisms*. It also ensured a good level of coordination and policy planning. Decisive efforts are needed to ensure that adopted legislation is implemented effectively, and all parts of regulatory policy are applied at all levels of government.

An enabling environment exists for **civil society** organisations (CSOs), with legal and financial frameworks in place. The legislative framework is in line with international standards. Moldova has involved civil society in decision-making. Further efforts should focus on adopting the national strategy on civil society development and improving the quality of public consultation processes to improve transparency and get CSOs more involved in policy dialogue, especially in parliamentary debates and at local level.

Moldova has some level of preparation in the area of **public administration reform**, and some progress has been made. In particular, the new public administration reform strategy for 2023-2030 was adopted in March 2023, and its implementation programme for 2023-2026 was adopted in June 2023. Due to a complex salary grid and the many different job classifications, civil servants' pay varies and is inconsistent across the administration. Moldova started addressing this issue by adopting a new law on salaries. Moldova needs to continue increasing its capacity to implement the reforms and provide good quality public services at all levels.

Moldova has some level of preparation in the area of the **judiciary**. The country made good progress in the reform of the justice sector. Candidates for the Superior Council of Magistracy (SCM) and the Superior Council of Prosecutors (SCP) had to undergo a pre-vetting based on the corresponding law adopted in line with Venice Commission recommendations. Parliament also adopted a law on Supreme Court of Justice (SCJ) reform and the vetting of its candidates and of its sitting judges has started, in line with Venice Commission recommendations. On 31 July 2023, Parliament adopted a

law on the further vetting of judges and prosecutors in high level positions, which was consulted with the European Commission and broadly aligned with Venice Commission recommendations. However, the President then returned the law to Parliament with additional changes, which Parliament adopted on 22 August 2023. The additional revisions were sent to the Venice Commission for review.

The length of proceedings, low clearance rates and the large backlog of cases negatively affect the judicial system's efficiency. There was no significant progress in the prosecution of high-profile corruption cases and long-standing criminal cases. One verdict was passed on two fugitive oligarchs. Due to the lack of a quorum in the SCM, no new judges have been appointed in the past 3 years. However, following the appointments of three non-judge members and four judge members to the SCM in March and April 2023 respectively, the SCM restored its quorum and made new appointments across the judiciary, including to new ranks. The new judicial map, which should reform the court system, needs to be finalised.

Moldova has some level of preparation in the **fight against corruption**. Some progress has been made and needs to be sustained to remove the many remaining blockages that hinder the reform processes. The legislation was amended by the Parliament in July 2023 to clarify the mandates of the National Anticorruption Centre and the Anticorruption Prosecutor's Office. New legislation for trials *in absentia* that entered into force in July 2022 was used to finalise a judgment in the case against two well-known oligarchs. The track record of high-level corruption convictions increased slightly. Amendments to the law on whistle-blowers were adopted by Parliament in June 2023.

Moldova has some level of preparation in implementing the EU *acquis* on the **fight against organised crime**. Some progress was made including the fight against financial crime and the recovery of assets. Assets belonging to three prominent oligarchs were seized. The national asset recovery programme for 2023-2027 and its action plan were adopted in December 2022 and are now being implemented. The good progress on seizure and confiscation of assets linked to organised crime should be sustained. Cooperation with EU Members States, the European Border and Coast Guard Agency (Frontex), Europol and the EU Agency for Law Enforcement Training (CEPOL) has been expanded with steer provided by the EU Moldova Support Hub for Internal Security and Border Management. Moldova has signed a Status Agreement with Frontex. Moldova has made repeated commitments to and progress in the fight against arms trafficking, drugs, trafficking in human beings and migrant smuggling. It adopted a new sectoral development strategy on the prevention and fight against organised crime for 2022-2025 in December 2022 to support the implementation of the integrated home affairs strategy (2022-2030), which was adopted in September 2022, and appointed a national firearms focal point. In March 2023 the country also revised its Law on the regime of arms and ammunition for civilian use, aiming to align it with the EU *acquis*.

Moldova's anti-terrorism legislation is generally aligned with the EU *acquis* and applicable international law. The national programme for the consolidation and realisation of anti-terrorist protection measures for the critical infrastructure objectives for 2022-2026 and the action plan for its implementation were adopted in October 2022. The country adopted legislation to prevent and combat the financing of terrorism in April 2023.

The legislative and institutional framework on **fundamental rights** is largely in place, and the government has made a clear commitment to meet its international obligations on human rights. Several steps were taken to implement the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence. In particular, the Government strengthened the mandates of the Equality Council and the People's Advocate and adopted programmes on strengthening gender equality and support to the Roma. Persons belonging to minorities, persons with disabilities, lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) persons and the Roma in particular continue to face discrimination, including in the labour market. Detention conditions in prisons exceed their intended capacity and need to be improved. Issues of overcrowding, inadequate access to medical treatment and lack of reporting or investigations of potential ill treatment and violence remain largely unaddressed.

Moldova has a pluralistic media environment and has some level of preparation in **freedom of expression**. The country made some progress during the reporting period, in particular on the issue of ownership concentration. Legislation contains provisions to prevent concentration of media and ensure transparency of media ownership. The Audiovisual Council needs to boost efforts to implement these rules. To ensure compliance with the European Media Freedom Act, the Audiovisual Media Services Code must address political bias in state media. The government is taking steps to address disinformation in media, which remains a challenge, especially disinformation spread online. In an attempt to limit Russian disinformation, in December 2022, the Commission for Exceptional Situations ordered the suspension of six TV stations that rebroadcast content from Russia; the decision was challenged in court. Several attempts of intimidation and harassment of journalists were reported in 2022, primarily in Găgăuzia.

On **good neighbourly relation and regional cooperation**, Moldova maintains good dialogue and actively participates in various regional cooperation platforms. These include the Central European Initiative (CEI), the Black Sea Economic Cooperation Organization (BSEC), the Organization for Democracy and Economic Development (GUAM), the Southeast European Cooperation Process (SEECP) and the Regional Cooperation Council (RCC). The country also contributes to implementing the Central European Free Trade Agreement (CEFTA). Moldova chaired the GUAM in 2022 and the BSEC in the second half of 2022 and assumed the Presidency of the CEI in January 2023.

On the **economic criteria**, Moldova is between an early stage and some level of preparation in establishing a functioning market economy. The authorities have remained committed to pursuing macroeconomic stability and economic reforms in a difficult economic and social environment caused by Russia's full-scale invasion of neighbouring Ukraine. During the last decade, Moldova has been able to sustain economic growth of about 3.1% per year on average amid the pandemic and other economic headwinds. Public finances have been stable with a low deficit (at about 1.5% of GDP on average over 2014-2019)) and a comparatively low debt level. The National Bank of Moldova had been generally successful in keeping inflation within the target range set at 5% (+/-1.5 percentage points). After a strong rebound from the COVID-19 crisis, growth contracted sharply in 2022 due to the energy crisis and a severe drought that caused output in agriculture and related industries to plummet. High inflation, caused by soaring energy and food prices, depressed households' disposable incomes and consumption, while war-related uncertainty contributed to weaker investment. On the external side, the already high current account deficit widened further, reflecting the weak export base and low productivity. As a result of the deep recession and the increase in social spending to alleviate the energy price shock, the budget deficit widened in 2022, and it is set to remain at a comparable level in 2023. Public debt remains low and is largely extended on concessional terms.

The state still has a considerable influence on key economic sectors, including telecommunications, energy, and transport, as well as in price-setting. The authorities are carrying out a comprehensive screening of state-owned enterprises, some of which are loss-making, in order to restructure and privatise them. At the same time, they are working to improve corporate governance and accountability in the sector. Despite the economic recession, the financial sector remains stable, reflecting the impact of previous reforms and prompt regulatory action to curb the rapid increase in household lending. The labour market recovered from the pandemic and was relatively robust in 2022. However, it continues to be characterised by a very low participation rate, which is linked to the high share of people working abroad or only willing to work abroad.

Moldova is in between an early stage and some level of preparation in terms of its capacity to cope with competitive pressure and market forces in the EU. Despite large investments in education, outcomes remain well below those in the EU. This contributes to the persistent mismatch between the skill level of the workforce and what employers require, which is one of the key business environment obstacles for firms. Investment in research and development remains low and has been falling despite the government's strategy to increase it. Moldova's physical infrastructure remains underdeveloped in part due to the lack of government investment. The stock of foreign direct investment is also low, reflecting weaknesses in the business environment and continuing problems with corruption and the protection of property rights. Digitalisation is lagging behind: just over two thirds of households are connected to the internet and about 40% of government services for businesses are available online. The Moldovan economy remains heavily reliant on the agricultural sector, and there is a large productivity gap compared with the EU. Moldova is a relatively open economy and is closely integrated with that of the EU.

On its ability to assume the obligations of EU membership, the country continues its work on alignment with the EU *acquis* in many areas. Moldova is in the early stages of preparation regarding the freedom of movement for workers **in cluster 2 on the internal market**. On company law Moldova is between early stage to some level of preparation. There has been some level of preparation in the other areas under this cluster: right of establishment and freedom to provide services, free movement of goods, intellectual property law, financial services, competition policy and consumer and health protection. There has been limited to some progress during the reporting period in these areas, good progress was made in financial services, and some progress was made in the free movement of capital.

Moldova has some to moderate level of preparation in areas linked to **cluster 3 on competitiveness and inclusive growth**. It made some progress in economic and monetary policy, enterprise and industrial policy, science and research and education and culture. It has achieved some level of preparation in digital transformation, media and taxation, where it also made good progress. Moldova has some level of preparation in social policy and employment, where some progress has been made. On customs union Moldova is in between some and moderate level of preparation while achieving some progress during the reporting period.

On **cluster 4 on the Green Agenda and sustainable connectivity**, Moldova is at an early stage of preparation in the environment and climate change. It has made some progress during the reporting period by passing cross-cutting environmental legislation and implementing laws on nature protection and industrial emissions. Moldova has some level of preparation in the areas of transport and trans-European networks, including the association to the Connecting Europe Facility and the observer status in the Transport Community. On energy, Moldova made good progress: it had the highest progress performance rate among contracting parties in the Energy Community Annual Implementation Report 2022.

Moldova is mainly at an early stage of preparation for all chapters of **cluster 5 on resources, agriculture, and cohesion**, except food safety, veterinary and phytosanitary policy where it has achieved some level of preparation. Overall, during the reporting period, there was good progress on food safety, veterinary and phytosanitary policy. The remaining chapters achieved some or limited progress. Further efforts are needed in all these areas.

On **cluster 6 on external relations**, Moldova is moderately prepared in the area of external relations where it made some progress during the reporting period. In the area of common, foreign, security and defence policy, the country is in between moderate and good level of preparation. In the latter, good progress was made during the reporting period. Moldova's alignment with declarations by the High Representative on behalf of the EU and Council decisions under the EU's common foreign and security policy (CFSP) was 54% in 2022 and has considerably increased to 78% in 2023. Following Russia's war of aggression against Ukraine, Moldova aligned with EU positions in international fora, including in the UN General Assembly (UNGA), the Human Rights Council, and the Council of Europe. On **migration**, since the outbreak of Russia's war of aggression against Ukraine, Moldova has faced unprecedented inflows of refugees (the highest number of refugees per capita in Europe). As of 31 July 2023, and since the Russia's full scale invasion of Ukraine, out of the 792 605 individuals that entered Moldova across Ukrainian borders, 86 363 Ukrainian citizens and 7 624 third-country nationals remained on its territory. Since 1 March 2023, the government has implemented a decree granting temporary protection to displaced persons from Ukraine, enabling its beneficiaries to obtain an identity document issued free of charge for 1 year. Following the unprecedented influx of people fleeing Ukraine, which put Moldova's already limited capacity under pressure, the country's authorities maintained their efforts and mobilised resources to provide immediate humanitarian assistance as prescribed in the state of emergency.

## Key dates

**3 March 2022:** Moldova submits its application for EU membership.

**17 June 2022:** The European Commission presents its [Opinion](#) on Moldova's EU membership application. The Commission recommended to the Council that Moldova should be granted candidate status on the understanding that 9 steps were taken.

**23 June 2022:** The European Council grants Moldova [candidate status](#).

**1 February 2023:** the European Commission presented its Analytical Report, completing the Commission's Opinion on Moldova's application for membership of the EU adopted on 17 June 2022.

**November 2023:** the Commission recommends that the Council opens accession negotiations with Moldova and will monitor on the progress and compliance in all areas related to the opening of negotiations and report to the Council by March 2024.

## For More Information

[Moldova Report 2023](#)

[2023 Communication on EU Enlargement Policy](#)

[Moldova 2023 Enlargement Package Factsheet](#)

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