

 Early Warning System

EBRD-20356

Moldova - Supporting the implementation of commercial mediation reform (phase V - wrapping up and handover stage)



Quick Facts

Countries	Moldova
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2024-11-26
Borrower	Government of Moldova
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services



Project Description

As stated by the EBRD, a critical factor affecting the investment climate is investors' confidence in their ability to access effective dispute resolution to protect their interests. Where courts do not enjoy strong public confidence, such as in Moldova, the presence of alternative dispute resolution mechanisms is very important. Alternative dispute resolution ("ADR"), and in particular mediation, is well established in developed economies, and is becoming increasingly popular in transition countries. It offers dispute resolution, which is quicker, cheaper and more tailored than what can be achieved through the courts. Moreover, it benefits the court system (reduction in court case load) and the wider economy (funds unfrozen from litigation contingencies).

The Legal Transition Programme ("LTP") has launched the first phase of the Commercial Mediation and Arbitration project (the "Project") in 2013 to support the Moldovan government in the implementation of Moldova's Justice Reform Strategy (2011-2015) which specifically aimed to strengthen the system of ADR in Moldova and promote its use in the business community. The Project assisted the Ministry of Justice with achieving this goal in several ways.

In relation to mediation, the Project piloted a court-annexed mediation system; a small group of mediators was intensively trained and then assigned to two courts, at which they provided mediation services to litigants. The Project has also contributed to the preparation and development of the Mediation Law adopted in 2015. These activities then advanced to the second phase whereby the LTP assisted with carrying out capacity building activities envisaging training and public awareness in relation to both arbitration and mediation in Moldova.

The third phase of the Project aimed to expand mediation on a national scale throughout Moldova, by deploying trained mediators to the courts in the region, assisting the Mediation Centre at the Chamber of Commerce and Industry of the Republic of Moldova (the "Mediation Centre"), creating a high-profile pool of mediators and promoting mediation among the business community. During all phases, the Project team closely collaborated with the Mediation Council, a branch of the Ministry of Justice dedicated to regulation and monitoring of mediation (the "Mediation Council").

The preceding phases of the Project have been successful in creating a platform to support the use of ADR to achieve more effective resolution of commercial disputes. In particular, the Project assisted with the creation of the infrastructure for the use of mediation throughout the country. In 2017 the Mediation Centre adjacent to the Chamber of Commerce and Industry of Moldova created with the Project support has resolved 50 commercial cases and in 2018 the Centre has signed a collaboration agreement with a major bank whereby most of its disputes will be submitted to the Centre.

During the fourth phase of the Project, the Mediation Centre obtained international accreditation and expanded in the Southern and Northern regions of Moldova to increase access to commercial mediation services for local businesses. The Project also supported the Ministry of Justice in assessing and improving the arbitration framework and identifying mediation models that could further boost the use of mediation. Due to project efforts, the number of commercial disputes resolved through mediation rose tenfold from 99 in 2017 to 1078 in 2023, thus unburdening the courts and allowing them to concentrate on more complex commercial disputes.

Building on the results of the previous phases of the Project and in response to limited court access amid judicial reforms, as well as to address EU Commission's concerns about the use of ADR in the process of accession to the EU, the Ministry of Justice decided to introduce a legislative and institutional reform, which includes mandatory pre-litigation mediation for various disputes (one mandatory session only).

The main objective of the project is to support the Government of Moldova in implementing further mediation reform to ensure its success and long-term sustainability. Project's objective will be achieved by implementing the following activities:

Activity 1: Review of the proposed legislative changes;

Activity 2: Development of a reform Implementation Concept and detailed Action Plan, coordinated with all the stakeholders and relevant development partners;



Investment Description

- European Bank for Reconstruction and Development (EBRD)

Information on the investment amount not provided at the time of disclosure.



Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>