## memo



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Re: Brief – Romanian Politics

## TRAIAN BASESCU BRINGS ROMANIA CLOSER TO A NEW CONSTITUTIONAL CRISIS

After a period of "self-imposed silence" on political matters, Traian Basescu has stepped once again into the spotlights of the Romanian political scene, launching several dire attacks and threats against the USL and the USL government. The President has argued that this summer's events have negatively affected the rule of law and boldly declared that the MCV report to be issued in December will surely reflect this dynamic. Insofar, no European official has commented on the content or conclusions of the report.

The President has also argued that following the December 9 elections, he will nominate a candidate for the position of Prime Minister in accordance with Romania's national interest and not based on the results of the electoral process. Several high-profile Romanian commentators nevertheless observed that the President's statements mirror the statements he had made at the beginning of 2012, when he vowed to refrain from nomination a USL political for the position of Prime Minister, even if the Union were to have an absolute parliamentary majority. The USL is constantly shown by all public opinion polls as the clear favorite in the general elections, garnering around 60% of the popular vote.

Traian Basescu also claimed that the OSCE's monitoring of the general elections is purportedly brought about by the incidents surrounding the referendum, and that such a position is truly shameful for Romania. In fact the presence of OSCE observers is not necessarily a sign of mistrust



in the fairness of the electoral process – the OSCE has monitored the recently concluded US presidential elections without casting any doubts on the fairness of the American voting process. In addition to that, the official figures concerning incidents in the referendum show that of the 8.4 million ballots expressed in the referendum, irregularities concern only 600 votes, the smallest number of electoral incidents and irregularities since Romania started organizing free and fair elections in 1990.

Traian Basescu went on to comment that prominent institutions, such as the Judiciary and ANI are under political pressure and have been the targets of political attacks. The President is deliberately ignoring that the USL has followed the recommendations of the European Commission to the letter. Moreover, the USL politicians did not criticize ANI, the institution that has delivered several incompatibility verdicts.

The notifications (which do not carry legal weight) were made public on the first day of the electoral campaign. As in all the other cases of incompatibility, the Prime Minister duly asked the politicians in question to solve their legal problems before reassuming political responsibilities. The Prime Minister made it clear that the politicians who will receive a definitive verdict of incompatibility will not become part of any future USL government.

Prime Minister Victor Ponta has argued, in relation to the President's statements, that Traian Basescu is bringing Romania back on the brink of a political crisis. The USL has made it clear to the electorate that it has no other candidates for the PM position than Victor Ponta. Given that the USL is constantly polled at over 60% of the votes, the president's refusal to accept the forming of a new Ponta-led cabinet only opens the possibility for a new crisis and for increased and damaging political incertitude and economic uneasiness.

The Romanian Government is dedicated to ensuring a fair and functional political cohabitation with Traian Basescu and has made several steps to prove its willingness and good faith to cooperate towards fulfilling



Romania's national interest. The USL expects that the Romanian's voice will be heard by all politicians following the December 9 general elections.

The effects of the summer crisis have been averted, as many European officials have testified. Traian Basescu is nevertheless trying to artificially provoke a new constitutional crisis by suggesting that the rule of law is threatened in Romania. In his last two speeches, the president referred to the "rule of law" no less than 30 times. The situation is even more concerning considering that the President himself obstinately refuses to nominate a USL Prime Minister. The President is actually breaking the rule of law: in spite of the message 7.4 million Romanians sent him, Traian Basescu persistently remains a factor of political and social instability.

## PDL MP ARRESTED BY DNA PROSECUTORS

Alin Trasculescu, a Vrancea PDL MP was detained by DNA prosecutors, after organizing a surveillance operation. Trasculesu, a member of the Chamber of Deputies, the lower House of the Romanian Parliament, stands accused of having used his political influence in exchange for money, instigating forgeries and money laundering operations. According to the anti-corruption prosecutors, the chief of the Vrancea branch of the PDL had asked his denouncer, via a third party, for 50,000 Euros and for 150,000 subsequently, claiming he can ensure the approval of investment projects funded by Elena Udrea and the PNDI, a program managed by the Ministry for Regional Development and Tourism.

The program was long touted by the Romanian media as a source of corruption and as a means of supporting the PDL clientele. It was for these reasons that one of the first actions of the USL Cabinet was to disband the PNDI program.

## **EUROPEAN INSTITUTIONS HIGHLIGHT MISUSE OF EUROPEAN FUNDING**



According to a European report, in 2011, out of the 515 million Euros spent by Romania from the Regional Development and Cohesion Fund, suspicions of illegality concern the manner in which 505 million Euros were actually spent. The European Commission argues that the errors in the spending of these funds consist of breaking the rules concerning the eligibility of projects and of the norms concerning public acquisitions. Moreover, the investigations pinpoint that European provisions concerning the use of structural funds were ignored.

The information issued by the European Commission amounts to saying that half a billion Euros or 98% of the total funds were fraudulently spent in 2011 by Elena Udrea and her PDL colleagues. It is important to remember that back in 2011 **Traian Basescu was commending Elena Udrea for the high rate of absorption of the Ministry she was in charge of.** It is also important to take into account that for irregularities as such Romania has seen the suspension of several major European funding projects.

The USL Government is making tremendous efforts to unblock European funding and find institutional solutions for the problems in the managing and operating system. Thanks to the efforts of the Ponta Cabinet, funding of the POSDRU and POR projects will hopefully be resumed by the beginning of 2013 and entrepreneurs or social actors that acted in good faith will be able to continue their truly important actions and projects.