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European Neighbourhood Policy - MOLDOVA

EU–Moldova relations: basic facts

The EU-Moldova Partnership and Cooperation Agreement entered into force in 1998 and sets a framework for trade liberalisation, legislative harmonization and co-operation in a range of sectors and political dialogue.

The Action Plan (adopted in February 2005) is a useful tool for supporting Moldova's own programme of democratic and economic reform and is now at the centre of the government's domestic reform programme. The EU and Moldova agreed to keep in place the Action Plan as an instrument to strengthen reforms and EU-Moldova relations beyond February 2008.

Moldova has requested a new agreement and, on the basis of sustained progress, the Commission has shown readiness to start a reflection on a new agreement also going beyond the current Partnership and Cooperation Agreement.

Major developments in 2007 and overall assessment

The 2007 local elections were generally well administered and voters were offered a genuine choice. Legislation on parliamentary reform, political parties and local self government was adopted, taking into account some international recommendations (of the OSCE/ODIHR and the Council of Europe).

Important steps were made to ensure respect of human rights and fundamental freedoms. Moldova adopted several international (UN, ILO) conventions in this field.

Visa facilitation and readmission agreement entered into force in January 2008. They are a major contribution to people-to-people contacts and in the fight against illegal migration. A Common Visa Application Centre was opened in Chisinau under Hungarian leadership in April 2007 to simplify procedures for the issuing of visas to Moldovan citizens.

Moldova continued to cooperate closely with the EU on all questions related to the Transnistria settlement efforts, including the EU Border Assistance Mission to Moldova and Ukraine (EUBAM). The EUBAM mission, which is also helping to ensure transparent management of the Moldova-Ukraine border, improving customs services and increasing customs revenue, was extended until November 2009. President Voronin made proposals on confidence-building measures in a wide range of sectors in autumn 2007, which constitute an important contribution to the settlements process.

Economic growth remained robust despite the negative effects of external shocks, including a severe drought. Improvements of the institutional framework and in particular procedures on control and certification of origin allowed the EU to grant Moldova as from March 2008 additional Autonomous Trade Preferences (ATPs). Overall good progress was made in most areas. At the same time - and in spite of progress made - effective implementation of reforms remains a challenge. This is particularly true in the areas of judicial reform, fight against corruption as well as ensuring media freedom and improving the business and investment climate.

The EU supports reforms in Moldova by

- Helping to build capacity in the Moldovan public administration and supporting the strengthening of public financial management systems in line with EU best practice.
- Helping the poor segments of the Moldovan population to cope with the increases in gas prices, through the provision of budgetary support helping the government to strengthen social compensation schemes. In order to increase the efficiency of the public transfers made onto the most vulnerable layers of the population, in 2007 the Commission has decided to grant €21 million in support to the reform of Social Assistance.
- Helping the Government (in concert with stakeholders, other donors and international financial institutions) with the design and implementation of reform strategies in the energy and transport sectors.
- Through joint programmes implemented in cooperation with the Council of Europe to improve the rule of law, the independence of the judiciary and respect for human rights in Moldova.
- A twinning project will start in 2008 between the Moldovan and the French and Hungarian Parliaments to strengthen the role of the parliament in the reform process.
- Working on a Pilot Mobility Partnership (Moldova is so far the only ENP country selected) to strengthen legal migration opportunities and to strengthen capacities for migration management and fighting illegal migration.

Assistance to Moldova

The Community assistance to Moldova has increased fourfold to €40 million in 2007 from €10 million in 2003. It focuses on the reform priorities agreed in the Action Plan, including poverty reduction and economic growth.

In 2007, the European Commission committed €45 million in special macro-financial assistance to Moldova following major trade problems related to Gas- and Wine-Crisis, of which €20 million were disbursed in October. After the severe drought of summer 2007, the Commission was also the largest donor to the international effort with €3 million in assistance.

A further significant increase (the most important of any ENP country) is foreseen for the period 2007-2010 – to over €250 million in total, under the European Neighbourhood Policy Instrument. Aid per capita for Moldova will be almost €15 per person per year which is the highest in the region (after the occupied Palestinian territory). The Communication from the Commission to the Parliament and the Council *Implementation of the European Neighbourhood Policy in 2007* (3 April 2008) and a country report on Moldova are available at

http://ec.europa.eu/world/enp/documents_en.htm

More on Moldova and ENP

http://ec.europa.eu/external_relations/moldova/index_en.htm

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