International Donor’s Conference

On 24 March 2010, the Moldovan government and its international development partners convened for the Consultative Group Meeting: Moldova Partnership Forum. The meeting was co-chaired and co-hosted by the European Commission and the World Bank, and was attended by 32 bilateral and 10 multi-lateral development institutions. The objectives were to understand the challenges facing Moldova and to mobilize and coordinate external assistance to support Moldova in overcoming the severe effects of the current crisis. The Moldovan Government presented its strategic document – Rethink Moldova – a comprehensive roadmap for reforms and modernization. The international donors supported the roadmap and made pledges of financial support totaling €1.9 billion over the next four years. The EU pledge amounts to more than 25 percent of the total amount and consists of non-repayable grants.

EU Border Assistance Mission (EUBAM) to Moldova and Ukraine

Since December 2005, the EUBAM has been in place on the Moldovan-Ukrainian border, where it improves the quality of border control and customs services to EU standards, serving to facilitate people-to-people contacts, legitimate trade and security. In cooperation with Moldovan and Ukrainian partners, EUBAM helps to tackle smuggling, illegal migration, and other criminal activity taking place across the common border, in particular involving the Transnistrian segment. The Mission’s role is technical and advisory. It is funded by the European Commission. Administrative and logistical support is provided by the UNDP. It has over 200 staff members from 22 EU Member States, representatives of several CIS countries and staff from Moldova and Ukraine. The Mission’s experts are located in six field offices: Basarabovca, Chisinău, and Otaci in Moldova and Kotovsk, Kuchurhan, and Odesa Port in Ukraine. The Mission has its headquarters in Odesa, southern Ukraine.

Milestones...

1994 Signatures of the Partnership and Cooperation Agreement
1998 Entry into force of the Partnership and Cooperation Agreement
2003 Inclusion in the European Neighbourhood Policy
2005 Signature of the EU-Moldova Action Plan
Opening of an EU Delegation in Chisinau
Appointments of an EU Special Representative for Moldova
EU becomes an observer in the “5+2” talks on the Transnistria conflict settlement
Establishment of the EU Border Assistance Mission to Moldova and Ukraine
2006 Moldova’s trade benefits from EU Generalized System of Preferences (GSPs)
2007 Inclusion in the EU’s Black Sea Synergy
2008 Entry into force of EU-Moldova visa facilitation agreement
EU approves Automatic Trade Preferences for Moldova
Exemption of Moldovan exporters from anti-dumping duties
2009 EU support for Confidence Building Measures for Transnistria
2010 Launch of negotiations on new EU-Moldova Association Agreement

Find out more...
EU Delegation to Moldova
www.delinfo.ec.europa.eu
ENPI Info Centre webpage – Moldova
www.enp-info-centre.eu/start.php?id=6892_d_Type=2
EC Progress Report on Moldova (2009)
ENPI National Indicative Programme Moldova 2011-2013
EU-Moldova Action Plan (2005)
EU Border Assistance Mission to the Republic of Moldova and Ukraine
www.eubam.org/

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Ties between the European Union (EU) and the Republic of Moldova have been developing steadily since the early 1990s, with the EU stepping up its involvement in Moldova following the signature of an EU-Moldova Action Plan (AP) in February 2005. The commonly agreed priorities of the AP ensure the EU’s continued support for Moldova’s efforts in the field of democratization, market and social reforms. An EU-Moldova political dialogue exists on the Transnistria conflict. The EU supports confidence building measures between both banks of the Nistru River, participates in the conflict negotiations and has established an EU Border Assistance Mission.

The EU is Moldova’s most important trading partner with a 52.3% share of its external trade, followed by CIS countries (37.8% share). The EU is keen to see Moldova succeed in its ambition to become a modern, secure and prosperous country. Negotiations started in January 2010 on a new Association Agreement, which will enhance EU-Moldova relations across all areas of cooperation, and provide for establishing a deep and comprehensive free trade area. The EU and Moldova plan a dialogue on further visa liberalization, with visa free travel as a long term goal. Moldova will also participate in the Comprehensive Institution Building (CIB) programme and the new flagship initiatives envisaged by the Eastern Partnership. The CIB programme will assist Moldova with institution building, helping several core institutions to prepare for and implement the future EU-Moldova Association Agreements and deep and comprehensive free trade agreement.

With the opening of a fully-fledged EU Delegation to Moldova in 2005, the European Commission has been able to shoulder the government’s commitments to take the country closer to the Union.

Common Goals

EU-Moldova relations are governed by the Partnership and Co-operation Agreement (PCA, entered into force in July 1998), which serves as a political and legal framework for cooperation, as well as the Action Plan under the EU’s European Neighbourhood Policy (ENP). The ENP was launched in 2004 and 2005 to prevent the emergence of new dividing lines in Europe and strengthen the prosperity, stability and security of the enlarged EU and its Neighbours. Since 12 January 2010, the EU and Moldova are negotiating an Association Agreement (AA) that will replace the PCA. The bilateral ENP Action Plan (AP) is a mutually agreed political document laying out the strategic objectives of bilateral cooperation for a three-year period (2005-2008) with ongoing implementation until the adoption of a new AA, with short and medium-term priorities. By agreeing the AP, the EU and Moldova commit themselves to developing deeper economic integration and strengthening bilateral political cooperation, including on:

- Foreign and security policy, including the Transnistria conflict;
- Justice;
- Trade;
- Transport and Energy;
- Poverty Reduction, Education and Training;
- Freedom and Security, notably in the field of border management, customs and migration;
- Environment.

Cooperation priorities

Country Strategy Paper and National Indicative Programme

The main EU-Moldova co-operation objectives and priority fields are outlined in two key documents: the Country Strategy Paper (CSP, 2007-2013) and the National Indicative Programme (NIP, 2011-2013).

Identifying objectives

The CSP, prepared by the European Commission, covers the political, economic, social and environmental situation in Moldova. The report lists the main EU co-operation objectives, policy responses and priority fields, with the aim of bringing Moldova closer to the EU. It has been developed in close consultation with the Moldovan authorities and is implemented by the ENP Action Plan and by the Eastern Partnership’s new initiatives.

Three NIP Priorities

The 2011-2013 NIP funds three priority areas in Moldova through the ENPI, with a total allocation of € 273.14 million. The priority areas as set out in the NIP are:

- Good governance, rule of law and fundamental freedom (35-40%): promotion of democracy and good governance, the rule of law and human rights, strengthening civil society;
- Social and human development (25-30%): combating poverty, promoting education and training, reform of healthcare, social assistance and labour market;
- Trade and sustainable development (35-40%): support for preparations for a Deep and Comprehensive Free Trade Area with the EU, approximation of standards, harmonisation of legislation, addressing economic and social disparities between regions, environmental protection.

A target percentage of 15% for the whole NIP will be allocated to conflict resolution/confidence-building measures.

How EU assistance works

Moldova benefits from various financial instruments developed by the EU to implement effectively its assistance programmes to the Neighbouring countries. The key one is the European Neighbourhood and Partnership Instrument (ENPI), launched in January 2007 to implement agreements under the ENP. The ENPI provides assistance to 17 countries. The ENPI replaces the two previous assistance programmes, TACIS for the Eastern Neighbours and MEDA in the South.

Other cooperation mechanisms

- Development Co-operation Instrument (DCI): helps eradicate poverty;
- European Instrument for Democracy and Human Rights (EIDHR) - supporting liberty, democracy, respect for human rights and the rule of law;
- Instrument for Stability (IFS) - providing an effective, timely, flexible and integrated response to crises, emerging crises or continued political instability;
- Food Security and Poverty Reduction Programme (FSR) - facilitating the reduction of poverty through budgetary assistance;
- Macro-Finance Assistance Instrument (MFA) - providing balance of payments and budget support medium-term loans and grants (with the IMF and the World Bank);
- Cross Border Cooperation (CBC) - aims at reinforcing cooperation between member states and partner countries along the external border of the European Union.

The Eastern Partnership and wider regional cooperation

In spring 2009, the EU launched the Eastern Partnership (EaP), which aims to support political and socio-economic reforms in Moldova, as well as Armenia, Azerbaijan, Belarus, Georgia and Ukraine, and foresees stronger political engagement with the EU, namely:

- The prospect of a new generation of Association Agreements;
- Far-reaching integration into the EU economy with deep free trade agreements;
- Easier travel through gradual visa liberalisation and measures to tackle illegal immigration;
- Enhanced energy security arrangements;
- Increased financial assistance. Moldova also benefits from the Black Sea Synergy (BSS) regional initiative, introduced in 2007, which is part of the ENPI and complements the EaP.