

ENP Country Progress Report 2012 – Republic of Moldova

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package”, consisting of a joint communication (“Towards a Stronger Partnership”) making an assessment of the ENP implementation in 2012, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean, an Eastern Partnership progress report, 12 country reports (on developments in 2012 and with a set of recommendations for the future), including one on the Republic of Moldova, and a statistical annex.

The EU-Moldova political dialogue continued to deepen in 2012 and negotiations of an EU-Moldova Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA) made significant progress. The Republic of Moldova made good progress in almost all areas of the Action Plan. The validation by the Constitutional Court of the election of the new President of the Republic ended a long period of political and constitutional deadlock. However, in early 2013 a renewal of tensions within the ruling coalition, which led to the downfall of the Government, called political stabilisation into question.

In 2012, the Republic of Moldova (hereafter 'Moldova') addressed most of the key recommendations contained in previous year's ENP Progress Report. It continued reforms in the areas of social assistance, health and education, energy, competition and state aid as well as regulatory approximation to the EU acquis. It finalised the remaining steps under the first phase of the visa liberalisation action plan. Much space for improvement remains in the areas of fighting corruption, and furthering reforms in the justice and law enforcement systems. On the basis of this year's report and with a view to sustained implementation of the EU-Moldova Action Plan and its successor instrument in 2013 (the 'Association Agenda'), Moldova is invited to:

- Continue to advance vigorously reforms in the justice and law enforcement systems, through implementation of the justice sector reform strategy, and by continuing the reform of the Ministry of Interior and other relevant bodies.
- Intensify the fight against corruption in particular by reforming the prosecution system and the judiciary, and by ensuring a fully functioning National Anti-corruption Centre.

- Continue to improve and further simplify customs procedures with a view to facilitating foreign trade and reducing the risk of corruption.
- Prevent the resurgence of institutional deadlocks by revising its constitution; this process should be conducted in an inclusive manner.
- Ensure the full implementation of the National Human Rights Action Plan; and ensure the full application of the Antidiscrimination Law including to cases of discrimination on the basis of sexual orientation through, *inter alia*, secondary legislation in line with international obligations.
- Engage pro-actively with the Transnistrian side in view of promoting an enticing, mutually acceptable vision for a common future, and agreeing accordingly the basic parameters for a settlement.
- Ensure the full and effective independence of the Audiovisual Coordination Council;
- Continue to advance dynamically the implementation of the second phase of the visa liberalisation action plan;
- Continue with sector reforms and regulatory approximation to the EU *acquis* in trade and trade-related areas (as identified in the preparation for the DCFTA), in parallel to the ongoing DCFTA negotiations; implement in particular the law on State aid; and implement energy sector reform in line with the Energy Community commitments.
- Step up the reform of the public administration and start implementing the decentralisation strategy, with a view to strengthening institutional capacity, efficient use of public resources and optimization of local administration.
- Continue the privatisation process, in particular for remaining large state-owned enterprises.
- Take steps to strengthen shareholder transparency in the banking sector.
- Take further steps to improve the business environment, including treatment of and registration procedures for foreign investors, and countering the grey economy.

Reforms initiated, carried out successfully, or delayed during 2012 in the different areas of cooperation between the EU and the Republic of Moldova are described in the annual country report. Some of the issues reported deserve special attention. In 2012, ambitious reforms in the **justice** and as regards the fight against corruption started to be implemented, with EU financial support. Reform of the **public administration** continued, in particular with the adoption of a decentralisation strategy, as well as reforms in the fields of health and education. The **DCFTA** negotiations were launched; four rounds took place in 2012. Implementation of the EU-Moldova **Visa Facilitation and Readmission Agreements** continued. With

regard to the Transnistrian region, the Moldovan authorities significantly stepped up their contacts with the new leadership in Tiraspol, against the background of a revitalised '5+2' settlement process. An increasing number of Moldovan students and researchers benefited from different European programmes in the **education** area.

EU–Republic of Moldova – BACKGROUND

THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and the Republic of Moldova. Since 2009, the EU implements the **Eastern Partnership**, the Eastern dimension of the ENP framework, aiming at substantially upgrading engagement with the EU's six Eastern neighbours via:

- a bilateral track, whose objectives include the establishing of Association Agreements with Deep and Comprehensive Free Trade Areas, once conditions have been met, as well as progress on visa and mobility issues, and
- a Multilateral track (i.e. intergovernmental platforms and Flagship Initiatives).

This approach allows for gradual political association and deeper economic integration.

FACTS AND FIGURES

1998: Entry into force of the EU-Moldova Partnership and Cooperation Agreement.

2005: Approval of the EU-Moldova ENP Action Plan.

2008: Entry into force of the Visa facilitation and readmission agreements. Signature of a pilot Mobility Partnership to strengthen legal migration opportunities and to strengthen capacities for managing migration and fighting illegal migration.

2008: The EU Autonomous Trade Preferences are granted.

2008 and 2009: The EU's Civil Protection Mechanism (MIC) was mobilised to support Moldova in assessing the flooding of the Nistru (Dniester) and the Prut rivers, and in alleviating the consequences of the Ukraine/Russia gas crisis.

2007-2010: The ENPI¹ envelope for Moldova stands at EUR 209.7 million, with an additional allocation of EUR 16.6 million through the Governance Facility.

2008-2010: The Neighbourhood Investment Facility commits nearly EUR 35 million to seven projects in Moldova in the social, transport and private sectors. Moldova

¹ The European Neighbourhood Partnership Instrument

benefited also from four NIF regional projects (total EUR 39 million in support of the energy and the private sectors, including small and medium enterprises).

2010: Launch of the Association Agreement negotiations with the EU

2011-2013: The new National Indicative Programme (NIP) for Moldova was adopted in May 2010 and has a budget of EUR 273.1 million. The programme is geared towards supporting the achievement of key policy objectives as outlined in the EU-Moldova Action Plan and pursues three priorities: (1) good governance, rule of law and fundamental freedoms; (2) social and human development; and (3) trade and sustainable development.

2011: The Republic of Moldova holds the rotating Presidency of the Energy Community. The EU Autonomous Trade Preferences are prolonged until 2015.

2012: Launch of negotiations on establishing a Deep and Comprehensive Free Trade Area (DCFTA) in the framework of the negotiations of an Association Agreement.

More info at:

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

http://eeas.europa.eu/moldova/index_en.htm

http://eeas.europa.eu/enp/index_en.htm