

Consultative Group meeting on Moldova

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M Prime Minister, Ministers, Excellencies, ladies and gentlemen

Let me warmly welcome you here today on behalf of the European Commission, and thank you for your presence, at this Consultative Group meeting on the Republic of Moldova. This meeting is the second of its kind, after the very first one we held in Brussels, in the same format, more than three years ago, back in 2006.

I am delighted to see such a high number of participants attending the event, and I am impressed by the size and the high level of the Moldovan delegation. We certainly consider this as evidence of how seriously Moldova is taking the exercise to “Rethink Moldova” with the support of the international community.

On our side, Commissioner Füle, in charge of Enlargement and the European Neighbourhood Policy, will join us in the course of the afternoon, for the conclusion of this event.

This conference is extremely timely for two reasons.

Firstly, Moldova’s new government has been in place for just six months. It has had to face the dramatic impact of the global economic crisis on the country as well as the consequences of more than a year of political uncertainty. The government has faced a difficult task. Nevertheless, it has managed to rise to the challenge, by developing and starting the process of implementing a comprehensive response strategy to the crisis. In particular it has reached an agreement with the IMF and managed to restore the confidence of the markets in the country. All of this is very encouraging. But more needs to be done.

Secondly, the new government has been very clear that European integration is its key strategic priority. Despite the difficult context, the government has successfully given new impetus to the process of approximation to the EU. As we all know, harmonising legislation and standards with the EU – while ultimately hugely beneficial for Moldova – is a demanding and costly task, and one that requires support from us as both as political partners and donors.

As an example of the Moldovan government’s intensive efforts to come closer to the EU, I am pleased to inform you that tomorrow, we will have the second plenary round of negotiations on the future Association Agreement. Another evidence is that last week in Vienna, Moldova signed the protocol by which it became a fully fledged member of the Energy Community.

As an active and committed partner of the Eastern Partnership, the Moldovan authorities are also working hard to set up a Comprehensive Institution Building programme with EU support for key ministries and institutions to get the country ready for association. Moldova is also participating actively in the Eastern Partnership multilateral platforms. Moreover just a few days ago Commission services visited Moldova and held technical exploratory talks in view of the opening of a visa dialogue towards the establishment of an eventual visa free regime.. At the same occasion, we launched the first Human Rights

Dialogue with Moldova. All of these developments testify to Moldova's strong aspirations towards Europe and the process of European integration.

However, let's not overlook the difficulties of the task Moldova is confronted with.

On the economic front, the world economic recovery is still fragile and Moldova's economic relations with its main partners will need time before they fully recover. Furthermore, the economic model of the country, strongly dependant on remittances from abroad implies a strong exposure to economic cycles and there are a number of internal obstacles domestic business and investors which cannot be scrapped overnight.

Concerning relations with the EU, Moldova has to prepare itself for the new Association Agreement. This will imply a number of deep changes both at the level of public administration and private undertakings in order to bring current standards and practices fully in line with the European acquis. This cannot be achieved by mere rhetoric and we had in the past examples in many countries where this proved to be both complex and expensive in political terms.

But what I just said should in no way demotivate you, for two main reasons:

- Firstly, because the advantages of a closer EU integration by far overcome some possible shortcomings. This is at the same time a fantastic opportunity and a fantastic challenge. Long term benefits, in terms of opportunities of integration with the world's largest internal market and increased stability as a result of political association, by far exceed the efforts you will be investing. Through the initiative of the Eastern Partnership the EU has shown its readiness to make an offer to Eastern Partners of practical and tangible ways in which they can draw closer to the EU. Moldova is clearly one of the front runners in this exercise.

- Secondly. Because you can rely on the support of the international community in order to back your efforts, and our presence here today is a clear evidence of this.

The EU is committed to working hand in hand with Moldova and to providing all very substantial assistance, of both a political and economic nature. However, in order to be effective our dialogue should be an open and frank.

M Prime Minister, I know that you have personally expressed your readiness to participate in dialogue at home and abroad. We intend to count on this readiness when implementing the program we will address today

I particularly appreciated the fact the today's meeting is not just a traditional pledging conference, but a real forum in which participants can listen to your Government's views, in particular "Rethink Moldova" as well as having a chance to comment on them and to make recommendations. Our ambition is to conclude our conference with a better mutual knowledge and understanding of each other's concerns.

It is essential that we agree on key priorities, on those sectors on which external support is crucial, and on how to make it more effective. It is also essential that partners from the private sector, whose role in the years to come, will be instrumental in the implementation of your strategies for growth, receive a clear message as to what advantages they could have in investing in Moldova.

Of course the cherry on the cake will be the level of pledging. I hope it will be on the high side of ambitions, but I would very much prefer to focus on what has to be done and how, instead of pledging figures.

M Prime Minister, Excellencies, ladies and gentlemen

Let me end these opening remarks by reaffirming that the European Union is fully committed to deepening relations with Moldova. Those who have followed relations close at hand have had a chance to appreciate your personal commitment as well as that of your team in taking our relations forward. I sincerely hope that this conference will respond to the expectations of all of the participants and I thank you once again for being here with us.

Thank you