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FACT SHEET

EU-Republic of Moldova relations

Relations between the EU and the Republic of Moldova have intensified since the Partnership and Cooperation Agreement of 1994. Moldova then joined the EU's Eastern Partnership in 2009, which led to negotiations for an EU-Moldova Association Agreement. This agreement, which includes the gradual introduction of a Deep and Comprehensive Free Trade Area (DCFTA), was signed in June 2014 and has fully entered into force on 1 July 2016.

Stronger ties

The EU-Moldova Association Agreement strengthens Moldova's political and economic ties with the EU. It sets out a reform plan in areas vital for good governance and economic development and strengthens cooperation in several sectors. By signing the agreement, Moldova committed to reforming its domestic policies on the basis of EU laws and practice. To do so, the country benefits from substantial EU support.

Visa-free travel

Since 28 April 2014, Moldovan citizens with a biometric passport can travel to the Schengen area without a visa. Since then, more than half a million Moldovan citizens have benefitted from the visa-free regime. The EU has provided €21 million to Moldova for related reforms in the areas of justice and security.

For Moldovans with non-biometric travel documents, the upgraded Visa Facilitation Agreement continues to apply. It lowers the visa fee to €35 for all Moldovan applicants, and waives visa fees for broad categories of citizens, including children, pensioners, students, people visiting family members in the EU, people in need of medical treatment, those working with EU companies, participants in cultural exchanges and journalists. The Visa Facilitation Agreement also provides for easier access to multiple-entry visas with longer validity. The refusal rate for visa applications has sharply decreased from 11.4% in 2010 and was 4.4% in 2015.

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A Readmission Agreement establishes mutual procedures for identifying and returning persons who do not comply with the entry or residence conditions of Moldova or of the EU.

The EU and Moldova also signed a [Mobility Partnership](#) in May 2008. It is intended to facilitate and increase the economic impact of legal migration in particular on development, limit irregular immigration and human trafficking and smuggling, as well as promote an effective readmission and return policy, in line with European fundamental rights.

Moldovan Border Police continues to cooperate with the EU Border Protection Agency Frontex in the areas of information exchange, training, research and development and joint operations as well as on joint analytical work in the context of the Eastern Borders Risk Analysis Network.

Growing trade relations

[Trade between EU and Moldova](#) decreased by 6% in 2015, largely due to the strong decline of EU exports to Moldova. On a positive note, EU imports from Moldova continue to grow, increasing in 2015 by 5%. The EU imported from Moldova goods to the value of €1.2 billion, up by 27% since 2013 (the year before the DCFTA was signed). The value of agricultural imports from Moldova grew more strongly, by 9% in 2015. EU exports to Moldova significantly declined since 2014, by 11% and amounted to €2.08 billion in 2015.

in 2015 exports to the EU of some Moldovan products continued to grow, following sharp increase in 2014. The positive trend continues to be seen for sunflower seeds, nuts, grapes, dried fruits, wheat, barley, soya beans, clothing and bedding articles such as mattresses.

Access to the European markets and benefits from the DCFTA will further increase once Moldova has aligned its health and safety standards to those of the EU. The food safety reform will enable Moldova to export its agricultural products, notably animal products, whose safety for consumers is strictly controlled in the EU. Overall, if reforms are completed, the DCFTA is expected to boost Moldova's GDP by 5.4% annually.

Free trade with the EU is compatible with other free trade agreements

The [DCFTA](#) is compatible with all other free trade agreements that Moldova is part of, and does not limit Moldova's ability to export its products to other partner countries, such as the members of the Commonwealth of Independent States. Moldova also retains full sovereignty over its trade policy since it is not a member of any customs union. The reform of domestic policies in Moldova, together with EU support to individual sectors, will upgrade the quality of Moldovan products and services. This will open trade opportunities well beyond the EU market and bring concrete benefits to Moldovan citizens and businesses.

Increased EU support

Since 2007, EU assistance to Moldova has sharply increased and reflects the objectives of the Association Agreement. It is linked to the country's reform commitments under the Association Agreement and aims at improving the quality of life of ordinary Moldovans, strengthening the rule of law, as well as improving the business climate.

EU assistance is therefore focusing on three priority sectors: public administration reform, agriculture and rural development, as well as police reform and border management. The EU also helps Moldova to meet the requirements for access to the EU markets under the free trade area. This includes: improving the policy framework and legislation on small business and competitiveness; reinforcing quality infrastructure and market surveillance (metrology, standards, conformity controls); information campaigns; sustainable management of natural resources in rural areas; and promoting the agro-food sector.

From 2014 to 2017, the European Neighborhood Instrument alone has set aside between €335 million and €410 million for Moldova. The EU calls on Moldova to make the best use of this substantial EU assistance allocation in order to deliver on the ambitious reforms it has committed to under the Association Agreement.

As a result of the EU's infrastructure support for example, the cities of Chisinau and Balti have managed to improve their public transport systems. The roads have improved significantly in Moldova over the past 10 years, also thanks to the cooperation with the EU and EU financial institutions.

In the field of energy, [biomass heating systems](#) have been installed in more than 144 schools, kindergartens, community centres and village halls all over the country thanks to the Moldova Energy and Biomass Project – which makes heating better and cheaper, and triggered the establishment of 35 new biomass businesses, with 363 new jobs. Overall, the EU estimates that its cooperation projects have created 20,000 jobs in Moldova.

Additional funds are made available to Moldova through regional programmes. The EU supports several infrastructure projects in the transport, energy, water and SME development sectors in and around Moldova, with over €400 million loans mobilised, through the [Neighbourhood Investment Facility](#).

EU assistance also supports the implementation of several key reforms in the justice, education, economic development and energy sectors. Additional funds have been made available for macro-financial assistance, investments in infrastructures and cross border cooperation projects. In addition, Moldova benefits from funding for civil society and Trans-European networks.

[Comprehensive list of EU-funded projects](#)

[Information on projects supported by EU Member States](#)

When major issues in the Moldovan banking system emerged in 2015, the European Union suspended budget support payments to the Moldovan authorities. The EU could resume the budget support disbursements currently on hold once certain conditions are fulfilled. These relate in particular to macro-economic stability, where an IMF programme is urgently needed, as well as to sound public finance management, including the respect for budgetary oversight and transparency principles. (see [Council conclusions on the Republic of Moldova, February 2016](#)). Moldova needs to deliver on key reforms, especially in the justice area, the financial sector, the energy sector, public administration and on prevention and fight against corruption.

Cooperation to create growth and jobs

Moldova became the first Eastern Partnership country to participate in the EU's [Competitiveness of Enterprises and SME programme](#), which promotes entrepreneurship and entrepreneurial culture, improves access to markets and finance for SMEs and boosts the competitiveness of enterprises.

Moldova was also the first Eastern Partner to be associated with the [Horizon 2020](#) programme, through which the EU supports research and innovation. It also participates in the [Erasmus+](#) programme for education, training, youth and sport. In March 2015, Moldova joined the European programme for culture [Creative Europe](#).

Regional cohesion and rural development

The [Economic Stimulation in Rural Area](#) programme facilitates EU-Moldova cooperation in regional and rural development, and has a significant impact on growth, jobs and social inclusion. The programme targets less advantaged rural areas, and is designed to create new opportunities for small businesses. Since 2010, the €72 million programme provided more than 900 days of training on entrepreneurship and small business development (e.g. business incubators, access to finance) to staff from national and local public administrations.

The rural business infrastructure has improved with the creation of eight new business incubators in the areas of Leova, Stefan Voda, Rezina, Singerei, Cosnita, Cedir Lunga, Nisporeni and Cimislia.

The EU Border Assistance Mission

The [European Union Border Assistance Mission to Moldova and Ukraine](#) was launched in 2005. Illicit cross-border activities, including trafficking of human beings, smuggling and other illegal trade, were occurring along the Moldova-Ukrainian border. This was aggravated by the fact that the Moldovan government had no direct control over the secessionist region of Transnistria in Moldova (which stretches along 454km of the Moldova-Ukraine border). The aim of the EU Border Assistance Mission is to improve border governance and management, help combat illicit practices and improve the regional security and support economic development.

Cooperation in crisis management operations

The Republic of Moldova is one of the non-EU states (more than fifty so far) that participate in the EU-led Common Security and Defence Policy (CSDP) missions and operations. Moldovan experts contributed to the [EU Training Mission in Mali](#) for the first time in 2014 and joined the [EU Military Advisory Mission in the Central African Republic](#) in 2015. The Republic of Moldova and the EU hold regular staff consultations on CSDP-related issues and jointly conduct various CSDP related events under the Eastern Partnership programme (e.g. CSDP High Level Conference and CSDP Orientation Course in Chisinau, 1-5 June 2015). At Moldovan request, Security Sector Reform advisors from three EU countries helped with the reform process of the security sector in 2014-2015. The EU will continue providing security sector reform-related advisory support under a new phase of an advisory programme to the Republic of Moldova in 2016.

The Transnistrian region

The EU participates as an observer in the 5+2 negotiation process on the settlement of the Transnistrian conflict, and it continues to support a comprehensive, peaceful settlement based on the sovereignty and territorial integrity of the Republic of Moldova with a special status for Transnistria.

The EU supports confidence building measures designed to facilitate the settlement of the Transnistrian issue by increasing confidence between Chisinau and Tiraspol through joint initiatives involving local authorities, civil society organizations and other stakeholders from both sides. This is funded with €28 million (including regional development in Gagauzia).