

# FACTS AND FIGURES ABOUT EU-MOLDOVA RELATIONS



The Association Agreement including a Deep and Comprehensive Free Trade Area provides for stronger political association and economic integration between the EU and the Republic of Moldova (Moldova) and has created constantly growing trade between the partners since 2014. **The EU's assistance and support of democratic reforms have delivered tangible benefits to Moldovan citizens.**

## ECONOMY

- ✓ **The EU is Moldova's largest trading partner and biggest investor in the country.** In 2018, it accounted for 70% of its total exports and 56% of its total trade.
- ✓ **The Deep and Comprehensive Trade Area with the EU is compatible with all of Moldova's other free trade agreements.** Domestic reforms, for instance, the alignment of health and safety standards to those of the EU, will open further opportunities for trade with the EU. With EU support, Moldova has already adopted in its national legislation and rules more than 25,000 EU technical standards.
- ✓ **The EU actively supports growth and job creation in Moldova.** Overall, the EU estimates that since 2009, more than 17,660 Moldovan SMEs benefitted from EU support for access to finance in Moldova under the EU4Business programme. **10 business incubators have been set up with EU support.**
- ✓ Structural reforms to stabilise the financial sector continued, including with EU support.
- ✓ In January 2020, the EU launched in Cahul and in Ungheni the new **"EU4Moldova: Focal Regions" programme.** The EU is investing €23 million to spur smart, inclusive and sustainable economic development in the areas of Cahul and Ungheni.

## ENVIRONMENT AND CONNECTIVITY

- ✓ A road bypass around Ungheni, fully funded by the EU, was opened on 3 August 2018. **Around 700 kilometres of roads have been or will be rehabilitated** in the Republic of Moldova thanks to EU support.
- ✓ **Public transport has been improved** in Chişinău and Bălţi with modern trolley buses.
- ✓ **Biomass heating systems** have been installed in more than 225 schools, kindergartens, community centres and village halls, **making heating cheaper and diversifying the country's energy sources.** 47 of these sites were also equipped with solar hot water systems. 35 new biomass businesses were set up and over 400 new jobs have been created.
- ✓ **New drinking water supply infrastructure was built with EU support.** As a result, approximately 15,700 people have access to sufficient and safe drinking water.
- ✓ **The EU has also supported the gas interconnector between Moldova (Ungheni) and the EU** (Iaşi in Romania). This project is aimed at enhancing the energy security of Moldova and the competitiveness on the Moldovan energy market. The EU is also co-financing a permanent interconnection between the electrical networks of Moldova and Romania.

## GOVERNANCE

- ✓ **The EU continues to attach great importance to strengthening democratic standards, the rule of law and efforts to end high-level corruption in Moldova.** EU assistance in Moldova is based on strict conditionality and is linked to satisfactory progress in reforms.
- ✓ In 2018, as a consequence of the backsliding in democratic principles and the rule of law, **the EU recalibrated its assistance to Moldova.**
- ✓ Based on the initial, positive progress in the area of rule of law made by the Government of Moldova from June until November 2019, the EU resumed payments under budget support programmes in July and October 2019 and disbursed **the first instalment of macro-financial assistance** in October 2019.
- ✓ Following the change of government in November 2019, **the EU recalled its commitment to delivering tangible benefits to the citizens of Moldova,** and to working with those in the Republic of Moldova who support the reform process on the basis of the principle of conditionality and respect for the rule of law and democratic standards.
- ✓ In 2019, the EU launched an €8 million programme to contribute to **the prevention and fight against corruption** notably through increasing the level of citizens' participation in decision-making.
- ✓ Thanks to **EU budget support on police reform,** overall women's participation in the police increased to almost 18% at the end of 2018, compared to 14% in 2015.

## SOCIETY

- ✓ **The EU continues actively to support civil society in Moldova,** including by creating links between civil society organisations on both banks of the Nistru River, through its confidence building measures.
- ✓ Since 28 April 2014, Moldovan citizens with a biometric passport can travel to the Schengen area without a visa. **More than 2.5 million Moldovan citizens have benefitted from the visa-free regime** so far.
- ✓ In the years 2015-19, nearly **2,800 students and academic staff have benefitted from Erasmus+ academic mobility** between Moldova and the EU.
- ✓ **Over 3,000 young people from Moldova took part in EU-funded non-formal education projects,** which organise short exchanges, trainings, common events and provide volunteering opportunities.

## EU STANDS BY MOLDOVA DURING COVID-19 PANDEMIC

The EU reacted fast and responded to the urgent needs of countries in the Eastern Partnership during the COVID-19 pandemic. As part of Team Europe, the EU has mobilised an ambitious support package totalling over **€980 million** to help tackle immediate needs, such as support to the health sector and vulnerable communities, as well as short-term needs to support the social and economic recovery of the six countries.

As part of this, a tailor-made COVID-19 response package for Moldova worth over **€87 million** of grants is being mobilised using a mix of existing and new funds to deliver concrete support to people.

### ✓ SUPPORT TO THE HEALTH SECTOR AND EMERGENCY NEEDS:

- Supplying medical devices, testing kits, masks, goggles, safety suits, gowns and other equipment.

### ✓ SUPPORT TO CIVIL SOCIETY AND VULNERABLE GROUPS:

- Emergency grants to support vulnerable citizens and the elderly, as well as providing protective equipment for social workers.
- Under the EU Civil Society Facility, the EU in May launched a call for proposals – “Support to Civil Society in the Republic of Moldova” – for support to social services, economic development and vulnerable groups affected by the pandemic.

### ✓ SUPPORT TO SMES AND TO SMALL FARMS:

- Through the **EU4Business** Initiative, SMEs and the self-employed can access grants, loans and business advice to withstand the crisis.
- The EU is also speeding up the setting up of a new ICT Innovation Centre in Cahul for innovative SMEs and the set-up a seed-fund for innovative companies in Moldova.

### ✓ SUPPORT TO THE ENVIRONMENT AND GREEN TRANSITION:

- Energy Efficiency programme launched together with the EIB and EBRD to promote energy efficiency in public buildings with a focus on hospital renovations.

### ✓ SUPPORT TO MACRO-FINANCIAL STABILITY:

- In addition to the COVID-19 response package, if conditions are met, Moldova will benefit from a payment of €30 million (of which €10 million of grant) under the ongoing macro-financial assistance programme and from EU budgetary support payment. In addition, Moldova will have access to €100 million of new emergency Macro-Financial Assistance loans from the EU on highly favourable terms to cover immediate, urgent financing needs.

## IN FOCUS:

examples of what has already been delivered

The EU has delivered **more than**

**55,000**

**respiratory masks**, gloves, goggles, gowns, as well as, 20 germicidal ultraviolet lamps, 3,000 litres of sanitizer, to the districts of Ungheni and Cahul.

People with disabilities and care staff from two temporary placement centres in the villages of Cocieri, Dubăsari and Brînzeni, Edineț received

**500**

**disposable protective overalls.**

Children treated for COVID-19 in **four hospitals**

on the right bank of the Dniester River and one medical institution on the left bank of the river **received toys** with support from the ‘EU Confidence Building Measures’ programme.

The EU Border Assistance mission between Moldova and Ukraine (EUBAM) delivered

**1,500 face masks,**

**1,2 tonnes of disinfectant gel** and **digital thermometers** for instant fever detection of travellers to the Moldovan Border Police, helping to promote safe travels.

Launching of a

**Virtual Entrepreneur Academy**

to support SMEs in rural areas.

## IN FIGURES

EU imports from Moldova have grown by

**62%**

between 2014 and 2018.

**15,700**

people have access to **safe and sufficient drinking water** thanks to new water supply infrastructure funded by the EU.

**350**

Moldovans from the **diaspora received EU assistance** in order to set up their own companies when returning to their home country.

## TRANSNISTRIA

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

The EU supports confidence building measures designed to facilitate the settlement of the Transnistrian conflict by increasing confidence between Chişinău and Tiraspol through joint initiatives involving stakeholders from both sides. Confidence building measures have allowed 70 people from both sides of the Nistru River to set up businesses and create 350 jobs. The EU also supports confidence building measures designed to foster regional development in Gagauzia.

## SECURING MOLDOVA'S BORDERS

The European Union Border Assistance Mission (EUBAM) to Moldova and Ukraine was launched in 2005. The aim of EUBAM is to support Moldova's and Ukraine's efforts to effectively manage their common border and actively support concrete measures contributing to the settlement of the Transnistrian conflict. Thanks to EU support, a modernised and quicker train operates between Chişinău and Odesa running via Tiraspol, which brings closer the two banks of the Nistru River.

## COOPERATION IN CRISIS MANAGEMENT OPERATIONS

Moldova is one of the non-EU states that participate in the EU's Common Security and Defence Policy (CSDP) missions and operations. Moldovan experts take part in the EU Training Mission in Mali and have also contributed to the EU Military Advisory Mission in the Central African Republic. The EU continues to provide security sector reform-related advisory support to Moldova.

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