

# 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 2020, it accounted for 66.4% of its total exports and 52% 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 27,000 EU technical standards.
- ✓ **The EU actively supports growth and job creation in Moldova.** Overall, the EU estimates that since 2009, more than 19,531 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 2021 the EU will launch the "**EU4Moldova: Local Communities**" programme. The €16 million programme will contribute to local development, improve the quality of life, and address the economic and social consequences of COVID-19 in selected local communities in Moldova.

## 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-Chişinău) 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.
- ✓ **The EU is committed 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.
- ✓ Since 2019, the EU has been supporting a €10.6 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 programme for police reform,** the level of public confidence in the Police rose from 25,5% in April 2016 to 41% in October 2020.
- ✓ **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.

## SOCIETY

- ✓ 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 2015-20, nearly **3,700 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.

## THE EU STANDS BY MOLDOVA DURING THE COVID-19 PANDEMIC

The EU reacted fast and responded to the urgent needs of countries in the Eastern Partnership when the COVID-19 pandemic broke out. As part of Team Europe, the EU has mobilised an ambitious support package totalling over **€1 billion** to help address immediate needs, strengthen healthcare resilience, and support the social and economic recovery of the six EaP countries.

As part of this, Moldova has access to a wide range of regional support programmes, as well as a tailor-made, bilateral COVID-19 response package for Moldova, worth over **€127 million** in grants. This package is being mobilised using a combination of existing and new funds to deliver concrete support to the people of Moldova. For example:

### ✓ SUPPORT FOR EMERGENCY NEEDS (MARCH-MAY 2020):

- More than 55.000 respiratory masks, gloves, goggles, gowns, as well as, 20 germicidal ultraviolet lamps, 3.000 litres of sanitizer have been delivered to the districts of Ungheni and Cahul
- Children have been treated for COVID-19 in four hospitals on the right bank of the Nistru River, and one medical institution on the left bank of the river has received toys with support from the 'EU Confidence Building Measures' programme.

### ✓ SUPPORT FOR HEALTHCARE RESILIENCE:

- A €15 million budget support resilience contract was adopted in December 2020 to help Moldova cope with the pandemic and boost the long-term resilience of the healthcare system.
- A €5 million programme with the WHO launched in January 2021 to provide additional equipment for the healthcare system and support the roll-out of the vaccine.

### ✓ SUPPORT FOR SOCIO-ECONOMIC RECOVERY AND VULNERABLE GROUPS

- More than 80.000 pieces of personal protective equipment (notably masks, gloves and visor masks for people with hearing impairments) delivered to people with disabilities and care staff of 6 institutions in the rayons of Hincesti, Orhei, Dubasari, Edinet, Soroca and Balti municipality.
- Emergency grants have been made available to support vulnerable citizens and the elderly, and to fund protective equipment for social workers.
- A call for proposals for support to social services, economic development and vulnerable groups affected by the pandemic was launched under the EU Civil Society Facility.
- A new ICT Innovation Centre in Cahul for innovative SMEs and a seed-fund for innovative companies in Moldova is being set up.

Member States such as Austria, Poland, the Czech Republic, Romania, and Germany have also provided PPE, medical equipment, and other critical supplies through the EU Civil Protection Mechanism.

## ECONOMIC RECOVERY PLAN

On 2 June, the European Commission announced an Economic Recovery Plan for the Republic of Moldova, which will mobilise up to **€600 million** in macro-financial assistance, grants and investments, supported by blending and financial guarantees. Over the next three years, this new funding will promote investment to boost a sustainable and inclusive recovery from the COVID-19 crisis in the country.

"The Economic Recovery Plan constitutes an unprecedented effort to help the country on its path to recovery and drive an ambitious reform agenda forward, in the interest of its citizens. Ultimately, this plan illustrates the strength of our association and solidarity to fight together the COVID-19 pandemic," said **European Commission President Ursula von der Leyen**.

The Plan builds on **five pillars**: public finance management and economic governance; competitive economy, trade & SMEs; infrastructure; education & employability; and the rule of law & justice reform. It is an unprecedented effort to support long-term socio-economic recovery in Moldova, "build back better" and unleash untapped economic potential, in exchange for structural reforms.

The Economic Recovery Plan is subject to strict conditionality. Investments will be made based on a 'more-for-more' approach, with progress on structural reforms, in the field of justice and fight against corruption notably, as a prerequisite for financial assistance.

In addition to the COVID-19 response package, an emergency COVID-19 macro-financial assistance programme for Moldova, worth **€100 million** in loans on highly favourable terms, was adopted in April 2020. The first instalment of €50 million was disbursed in November 2020. The second tranche is set to be disbursed in 2021, if the relevant conditions are met.

When it comes to vaccines, the EU has continued to deliver on its promises of support and solidarity for Moldova. Moldova was the first European country to benefit from the COVAX Facility and the EU vaccine-sharing mechanism. Overall, the EU has so far (June 2021) supported the delivery of more than **600.000 doses** of vaccines to Moldova through COVAX or via donations by Romania under the vaccine-sharing mechanism. The EU also supports the rollout of the vaccine through bilateral and regional programmes.

## IN FIGURES

Total trade between the EU and Moldova grew by

**22%**

between 2016 and 2020.

**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 and sustainable settlement based on the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognised borders 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.

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**students and academic staff** have benefitted from Erasmus+ academic mobility between Moldova and the EU.

## 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.



**EaP** | Eastern Partnership

