



THE EUROPEAN UNION AND MOLDOVA

#EU4Moldova

May 2023



Due to its geographical proximity to Ukraine, the Republic of Moldova has been strongly affected by Russia's war of aggression against Ukraine. The EU continues to stand in solidarity with Moldova, to support its sovereignty and territorial integrity within its internationally recognised borders and is committed to continue strengthening the country's resilience, including in terms of energy security, enhancing cooperation on security and defence and supporting its reform path.

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EU INTEGRATION PROCESS

The relations between the EU and the Republic of Moldova are based on the **EU- Moldova Association Agreement** including its Deep and Comprehensive Free Trade Area, providing for stronger political association and economic integration between the EU and Moldova.

On **3 March 2022**, Moldova presented its application for EU membership.

On **17 June 2022**, the Commission delivered its Opinion.

On **23 June 2022**, the European Council endorsed the European Commission Opinion, giving Moldova a European perspective and **granting the country candidate status**.

The EU's indicative bilateral allocation to Moldova under the **Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)** for the period 2021-2024 amounts to **€260 million** and will be complemented by other regional and thematic programmes as well as funding in the forms of loans and guarantees.

The EU is
Moldova's largest
trading partner and
biggest investor. In 2020,
the EU accounted for
approximately 67% of
Moldova's total exports
and 53% of its total
trade.



ECONOMIC SUPPORT

The EU is currently providing macro-financial Assistance operation worth **€150 million** in total of which **€100 million** has already been disbursed. This constitutes important support from the EU to one of the countries most directly and heavily impacted by Russia's war of aggression against Ukraine.

On 10 November 2022 President von der Leyen announced further financial support to Moldova for a total amount of **€250 million**, including further MFA of up to €145 million and €105 million in budget support. The Commission proposal to increase the MFA is currently under consideration by the European Parliament and Council.

€1.4 billion was pledged through the Moldova support platform, established in April 2022 and gathering the EU Member States, G7 countries, international partners, and like-minded countries to mobilise immediate and concrete international support for Moldova in facing the current situation. By September 2022, **€420 million** has been received by Moldova.

Since July 2022, the EU has increased the quotas for seven agricultural products, not yet fully liberalised under the **EU-Moldova trade agreement**, to further alleviate the difficult situation faced by Moldovan producers and exporters because of Russia's unprovoked and unjustified military aggression against Ukraine. Overall, exports from Moldova to the EU increased from **€1.8 billion** in 2021 to **€2.6 billion** in 2022. In May 2023, the Commission proposed to remove all remaining tariffs and quotas, thereby introducing temporary full trade liberalisation regarding Moldovan imports into the EU until July 2024. Road transport agreements signed between the EU, Ukraine and Moldova in the framework of the **EU-Ukraine Solidarity Lanes** initiative also help ensure secure supply chains and food security. A **€20 million** grant, blended with a €12 million loan from EBRD, will help the modernisation of the railways and their embedding in the TEN-T network.

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HUMANITARIAN ASSISTANCE AND CIVIL PROTECTION

Since the start of the war, Moldova has faced an unprecedented wave of refugees with over **700,000 people** fleeing the war and entering the country and over **100,000** still on Moldovan territory.

The EU has provided over **€48 million** in humanitarian assistance to Moldova, notably to support vulnerable Ukrainian refugees and the families hosting them meet their basic needs like food, shelter, and healthcare.

With EU humanitarian support, Moldovan authorities have established over 60 Refugee Accommodation Centres across the country. Since March 2022, the World Food Programme (WFP) has delivered more than **1.5 million** hot meals to refugees from Ukraine residing in these accommodation centres thanks to funding from the EU and other 18 EU Member States and Norway have offered in-kind assistance to Moldova through the EU Civil Protection Mechanism. It includes amongst others, shelter items, medical aid, food and energy supplies. Given the magnitude of needs, the Commission has also mobilised medical equipment from the rescEU medical stockpiles based in Germany, Hungary and the Netherlands.



HELP FOR THE ENERGY SECTOR

To help Moldova face the acute energy crisis caused by Gazprom's sharp reduction of deliveries and Russia's increased attacks on Ukraine's energy infrastructure, the EU supports Moldova in improving its energy resilience and in ensuring stable electricity and gas supplies.

With EU assistance, Moldova has made its first purchases of gas and electricity from the EU, and the country can participate in the joint gas purchasing mechanism. Reduction in energy demand is also prioritised to ensure Moldova's energy security.

The EU's budget support package for the country of **€135 million** will also support addressing rising energy costs.

In November 2022, during a visit to Chisinau, Commission President Ursula von der Leyen pledged further financial support on energy to Moldova, as part of the **€250 million** package announced.

The EU is now deploying its rescEU energy reserve to send **36 power generators** to Moldova. The generators will be distributed between **30 hospitals** across the country.

Upon an agreement with the Commission in May 2023, Moldova will be associated to the Connecting Europe Facility (CEF) programme, which will enable the country to apply for EU funding for projects of common interest in the fields of energy in addition to transport and digital services.



THE ECONOMIC AND INVESTMENT PLAN

The EU supports Moldova with investments to help post-pandemic recovery and improve the lives of Moldovan citizens. Under the EIP, in cooperation with European financial institutions, the EU has already mobilised **€673 million** in public and private investments for **five flagships** that have been identified together with the Moldovan authorities:



Direct support for
50,000 Moldovan
SMEs



Construction of
an Inland Freight
Terminal in Chişinău



Refurbishment of district
heating systems in
residential buildings
in Chişinău and Bălţi



Anchoring Moldova in the
Trans-European Network
for Transport



Investing in
Human Capital
Development

RESILIENCE AND REFORMS

The EU also supports cybersecurity and the fight against disinformation (**€8 million**), modernisation of the armed forces allowing for better protection of civilians during crisis and emergencies through the European Peace Facility (**€87 million**), and independent local media (**€1 million**). The EU is also setting up a civilian mission to strengthen the resilience of the security sector in the areas of crisis management and hybrid threats, including cybersecurity, and countering foreign information manipulation and interference (FIMI). Additional **€10 million** were allocated for border management.”

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