

EU-MOLDOVA PARLIAMENTARY ASSOCIATION COMMITTEE

Twelfth Meeting

1 November 2022

Chişinău

DRAFT STATEMENT AND RECOMMENDATIONS

pursuant to Article 441(3) of the Association Agreement

The Twelfth meeting of the EU-Moldova Parliamentary Association Committee (PAC) was held on 1 November 2022 in Chişinău.

The meeting was co-chaired by Mr Mihail Popşoi, on behalf of the Parliament of the Republic of Moldova (hereinafter ‘Moldova’), and Mr Siegfried Mureşan, on behalf of the European Parliament.

The Parliamentary Association Committee reviewed the state of play of EU-Moldova relations and of implementation of the Association Agreement.

The Parliamentary Association Committee agreed on the following final statement and recommendations:

On Moldova’s EU membership

- 1. Welcomes the European Council’s exceptionally swift decision of 23 June 2022 to grant Moldova EU candidate status, in the context of Russia’s brutal invasion of Ukraine, which has also disproportionately affected Moldova; Welcomes the European Council’s recognition of the European perspective of Moldova, Ukraine and Georgia; concurs that the future of these countries and their citizens lies with the EU; reiterates that Moldova, based on its history, traditions, culture and language, belongs to the European family; welcomes in this regard the State of the Union speech by the Commission’s President Ursula von der Leyen;*
- 2. Welcomes the Commission’s Opinion on Moldova’s application for membership of the European Union; Recalls that enlargement is a merit-based process and that Moldova will be evaluated on the basis of its progress; in this regard takes note of the nine recommendations set out in the Commission’s Opinion requiring the Moldovan authorities to make progress in the comprehensive justice reform, in their anti-corruption measures and in administrative capacity-building;*

acknowledges that the fulfilment of these nine conditions specified in the Commission's opinion will be the basis of the European Council decision on further steps once all of these conditions are fully met;

- 3. Praises Moldova's demonstrated commitment to its chosen European path for submitting its application for EU Membership and having provided detailed answers to both EU questionnaires with exceptional speed and quality;*
- 4. Notes with satisfaction that the obtained status of candidate country demonstrates that the Moldovan authorities have been on the right track by adopting key reforms since the current Government and Parliament are in place, setting Moldova on the right path to comply with the 'Copenhagen criteria' that accessing countries must fulfil: stability of democratic governance, rule of law and human rights, protection of minorities, a functional market economy and capacity to implement obligations deriving from EU membership;*
- 5. Notes with satisfaction that the Commission assessed in its Opinion that Moldova has a solid foundation for reaching political and institutional stability, that the country has pursued reasonably sound macroeconomic policies, significantly strengthened financial sector stability, and has started to improve the business environment, and that Moldova has established a solid basis in the alignment process with the EU acquis and is capable to fulfil the obligations of membership; looks forward to the publication of the Commission report on the state of play of Moldova's alignment to the EU acquis in November as a complement to the Commission's Opinion;*
- 6. Looks forward to the assessment of the Republic of Moldova's progress and further steps once the conditions set in the Commission's Opinion are met, at the latest in October 2023 in the next Enlargement package;*
- 7. Calls on the EU institutions to start accession negotiations with the Republic of Moldova as soon as Moldova fulfils the nine recommendations set out in its Opinion. For this purpose, asks the Commission to communicate in due course to the Republic of Moldova the additional conditions requested in the accession process that would allow to start accession negotiations;*
- 8. Calls on the EU to clarify expectations in order to give a clear path towards the start of membership negotiations; asks the Commission and the European External Actions Service (EEAS) to clarify as soon as possible the two parallel tracks of the Association Agreement implementation and the accession process;*
- 9. In this regard, commends the Moldovan authorities for swiftly elaborating and adopting the Action Plan for the implementation of the steps proposed by the European Commission in its Opinion; praises the authorities for having consulted very widely with the European partners, representatives of the civil society and international stakeholders; believes that the Action Plan demonstrates Moldova's strong commitment to its European path;*
- 10. Praises the authorities for adjusting swiftly to the needs of the accession process by setting up a comprehensive coordination mechanism at political and*

administrative levels, aiming at the fulfilment of commitments in both the Association Agreement implementation and the accession process once negotiations are open;

- 11. Acknowledges the challenges entailed by the consolidation of the administrative capacity, especially in light of the country's budget and administrative capacities already strained by the spill-over impact of Russia's war of aggression against neighbouring Ukraine; welcomes in this regard the planned staff enhancements and the recruitment of new personnel for the EU accession; calls on the EU and the Moldovan government to cooperate swiftly on this capacity building objective; calls on the European Commission to adjust its financial and technical assistance to Moldova and, if needed, to increase the staff capacity of the European Commission's Directorate General for Neighbourhood and Enlargement Negotiations;*
- 12. Calls on the Commission to assist Moldova in preparing a comprehensive pre-accession strategy for EU membership and establish enhanced and structured political dialogue with the Moldovan authorities; reiterates its call for the Commission to assess the implementation of reforms on basis of clear, transparent, consistent performance benchmarks using the new enlargement methodology;*
- 13. Welcomes the continued commitment of the Moldovan authorities to the reforms despite having to simultaneously tackle the spill-over effect of Russia's military aggression; stresses the importance of delivering on justice reforms and on fighting corruption as it is not only a key condition for the enlargement process, but equally important for strengthening Moldova's overall resilience;*
- 14. Stresses the need to take advantage of the experiences of the Republic of Moldova with the implementation of its Association Agreement and Deep and Comprehensive Free Trade Area as a basis for the upcoming accession process; calls therefore on the EU for an acceleration of gradual integration of the Republic of Moldova into the EU single market and enhanced sectoral cooperation; calls on the Commission to treat Moldova and Ukraine equally and maximise the use of existing provisions in the Association Agreement;*
- 15. Calls on the Commission and the EEAS to further increase their engagement with their Moldovan counterparts and to maximise their political, technical and financial support to Moldova, including through grants, during this crucial time in order to give further impetus to progress and to ensure adequate absorption capacity for EU assistance; calls on the EU to prepare internal structures and provide additional resources, including increased administrative and technical assistance by creating a Support Group for Moldova, similar to the existing Support Group for Ukraine (SGUA), which will increase the EU staff presence in Moldova and allow the extension of the SGUA-type assistance to Moldova; considers that in light of the Republic of Moldova's new status as EU candidate country, the urgency of such Support Group is paramount;*
- 16. Calls on the EU to ensure swift financial support to the accession process of the Republic of Moldova; in this perspective calls on the Commission to transition*

Moldova as a candidate country from the Neighbourhood, Development and International Cooperation Instrument (NDICI) „Global Europe” to the Instrument for Pre-accession Assistance (IPA) III as early as possible; in this regard, calls the EU to sufficiently increase the overall IPA III budget in its mid-term review ;

- 17. Recalls that the European Parliament will adequately monitor the entire process; notably through the next European Parliament implementation report on the implementation of the Association Agreement with Moldova; calls on the Moldovan authorities, in the meantime, to further focus on structural reforms;*

On the consequences of Russia’s unprovoked, unjustified military aggression against Ukraine

- 18. Condemns in the strongest possible terms the Russian Federation's unprovoked and unjustified military aggression against Ukraine; underlines that this unacceptable military aggression destabilises the entire European continent, having a severe impact on the Republic of Moldova, which shares a common border with Ukraine; commends Moldova for its courageous and continuous condemnations of Russia’s aggression and for aligning to the EU’s declarations and positions in the international fora;*
- 19. Reiterates EU’s commitment to the sovereignty, territorial integrity and political independence of the Republic of Moldova within its internationally recognised borders and supports its efforts to fully enforce those principles;*
- 20. Commends the solidarity and continuous support provided by the Moldovan authorities, as well as Moldovan citizens, to the 650,000 Ukrainian refugees who sought shelter in or transited through Moldova; underlines that 80.000 of them are still on the Moldovan territory; appreciates that Moldova continues to act in a reliable, pro-European spirit during this unprecedented crisis; notes that Moldova is the European country which has been hit the hardest by this major influx of refugees fleeing the war in Ukraine; acknowledges that this influx poses a major administrative and financial burden for the country aggravating the inflation and energy crisis; stresses the key role played by the Republic of Moldova so far in the safety and stability of the European Union; is convinced that the EU must demonstrate the same degree of solidarity with Moldova in supporting its efforts to cope with the consequences of the Russian war in Ukraine;*
- 21. Condemns the destabilisation attempts by the repeated protests staged by the Shor party and financed with illegal resources; condemns the harsh disinformation campaigns against President Sandu and the Moldovan authorities; notes with concern the Kremlin’s influence on the current social and political unrest, in this regard looks with concern at the situation in Gagauzia and Russia’s recurrent attempts to exert influence over political developments; praises the Moldovan authorities for handling the situation with calm and restraint and commends the Moldovan authorities for their unhindered willingness to maintain dialogue with the regional authorities in Gagauzia;*

22. *Calls on the European Union and the Republic of Moldova, in association with the East StratCom Task Force and the Delegation of the European Union to the Republic of Moldova to step up their cooperation in order to tackle Russia's disinformation campaigns that are having an increasingly destabilizing effect with harsh ad-personam attacks and disinformation campaigns, and to strengthen the resilience to cyber-attacks and cyber threats;*
23. *Calls on the Commission to support Moldova's request to establish a Centre for Strategic Communication and Combating disinformation in order to enable a coordinated government communication strategy on EU accession and help respond to disinformation campaigns and hybrid activities;*
24. *Takes note and condemns Russia's hostility towards Moldova deliberately violating its territorial airspace with Russian missiles used for attacks on civilian targets and infrastructure in Ukraine, weaponising energy by reducing gas exports to Moldova by 30% as of 1 October and threatening to stop all supply, for arbitrarily banning fruit exports from selected Moldova regions in order to fuel tensions, create divisions within Moldova and put additional finance pressure on the Moldovan authorities;*
25. *In this context, welcomes the recent initiatives and decisions to increase support in the field of security, notably the launch of the EU-Moldova High-Level Political and Security Dialogue and the establishment of the EU Support Hub for Internal Security and Border Management in Chişinău; believes that cooperation on internal security and border management between the EU, its Agencies, the Member States and the Moldovan authorities is more needed than ever to address the criminal and security implications of Russia's invasion in Ukraine; calls on the EU to consider expanding the scope of the initiative encompassing training assistance for the intelligence and defence sector;*
26. *Calls for increased cooperation in the area of defence and security; calls on the EU to support the Republic of Moldova in modernizing its defence capacities, and therefore enhancing its national security, stability and resilience, given the security challenges that Moldova faces; welcomes in this regards the adoption of the EUR 40 million assistance measures under the European Peace Facility that will strengthen the capacities of the Moldovan Armed Forces by providing non-lethal equipment and training;*
27. *Welcomes the recent assurances of the High Representative of the Union for Foreign Affairs and Security/Vice-President of the Commission Mr Borrell for a continued comprehensive political, financial and technical support to Moldova in mitigating the impact of Russia's aggression against Ukraine and shoring up its resilience;*
28. *Welcomes the EU significant increase in financial support since March 2022 meant to help mitigate the effects of Russia's war in Ukraine, notably EUR 13 million in humanitarian assistance, EUR 15 million to support the refugees, EUR 15 million to support the EU Border Assistance Mission (EUBAM), EUR 53 million in budget support, EUR 8 million to fight cyber-security,*

disinformation and to promote social cohesion, EUR 52 million to advance the country's long term resilience, recovery and reforms;

- 29. Welcomes the ad-hoc budget support of EUR 75 million in grants announced in July to mitigate the socio-economic consequences of the high energy prices, alleviate the economic strain of hosting refugees and help building the long-term socio-economic recovery, energy security and energy transition of the Republic of Moldova;*
- 30. Welcomes the recent announcement by the Commission for an additional EUR 25 million in humanitarian aid to provide winterised shelter, and supplementary measures to support education in emergencies, health, and protection assistance;*
- 31. Welcomes the signing on 17 March of an EU-Moldova agreement on border management cooperation enabling Frontex to support the Moldovan authorities in daily border management activities; also welcomes the continued operation of the EU Border Assistance Mission in Moldova and Ukraine (EUBAM), helping to harmonise border control, customs, and trade standards as well as support the refugee flow crossing the border with Moldova;*
- 32. Welcomes the adoption of the EUR 150 million in macro-financial assistance to cover a part of Moldova's external financing needs; welcomes the disbursement of the first tranche of EUR 50 million last August; notes that the longer the war lasts in neighbouring Ukraine, the more humanitarian, security and socio-economic assistance the Republic of Moldova will need; consequently, calls on the European Commission to further increase the financial and technical assistance for Moldova; notes that the MFA package was based on pre-war estimations, in light of the dramatic impact the war has on Moldova's social, political, economic, financial stability, and given Moldova's unfaltering support to Ukrainian refugees, calls on the Commission to subsequently increase its financial and technical assistance to Moldova, including through an additional MFA;*
- 33. Commends the support provided to Moldova during this crisis by eighteen EU Member States through the EU Civil Protection Mechanism, in particular Romania and France which have provided support in the form of fuel or electric generators;*

On the on-going economic difficulties faced by Moldova, notably the consequences of the artificially created gas supply crisis

- 34. Notes that Russia's military aggression against Ukraine, building upon the COVID-19 pandemic, and the drought in the summers of 2021 and 2022, had a strong negative impact on Moldova's economy;*
- 35. Calls on the Commission and the Member States to increase financial and technical support to the Republic of Moldova, including grants, towards ensuring its energy independence, connectivity, production, diversification and efficiency, as well as accelerating the development of renewable energy sources; recalls the*

importance of upholding the country's commitment to implement the EU's Third Energy Package;

- 36. Takes note of the loan agreement of 1.05 billion lei provided by Energocom to Moldovagaz to allow the company to pay for its debt within the deadline imposed by Gazprom and avoid the cut-off of gas deliveries by 20 October;*
- 37. Looks forward to receiving the conclusions of the audit of Moldovagaz's alleged debt towards Gazprom; recalls that Moldovagaz is itself a subsidiary company of Gazprom; consequently calls for this audit to be performed by an international auditor meeting the highest degree of professionalism and transparency;*
- 38. Condemns the wilful and malicious targeting and destruction of Ukraine's energy infrastructure by Russian missile strikes, leading to a reduction of Moldova's electricity supply by 30%; notes with concern the highly precarious energy position of Moldova; welcomes Romania's strong support demonstrated by offering electricity at preferential prices and working towards diversifying Moldova's electricity resources, including offering heavy fuel in humanitarian aid, as well 130,000 cubic meters of firewood for household heating;*
- 39. Welcomes the decision of the European Council of 24 and 25 March 2022 to jointly purchase natural gas, LNG and hydrogen, through a common purchase platform including the Western Balkan states and the three associated Eastern Partners;*
- 40. Welcomes the resolve and decisiveness demonstrated by Moldova in reducing its energy dependence and increasing its resilience; calls on the EU to stand in solidarity and continue its active support by facilitating market access and providing technical and financial assistance;*
- 41. Welcomes the EUR 15 million grant provided by the European Union and managed by the EIB to support the government of Moldova in undertaking comprehensive energy efficiency measures;*
- 42. Welcomes the EU's prompt reaction to the gas supply crisis since October 2021, and its assistance in the form of technical expertise and emergency financial support, as well as the provisional mitigating measures taken by the Moldovan authorities, notably to support vulnerable households and small businesses;*
- 43. Recalls the importance of continuing the reforms in the energy sector in line with the Third Energy Package and Energy Community acquis; welcomes the successful synchronisation of the electricity grids of Ukraine and Moldova with the Continental European Grid;*
- 44. Welcomes SA Energocom's signing of a contract with Bulgartransgaz EAD, which will allow the Moldovan operator to have access to Bulgaria's gas transmission system and contribute to diversifying Moldova's gas supply and reinforcing its energy independence;*

On reinforcing EU-Moldova relations and carrying out an ambitious reforms programme

45. *Considers the EU-Moldova Association Agreement, including a Deep and Comprehensive Free Trade Area, as the basis for cooperation and solidarity, underpinning core common values such as upholding of human rights, fundamental freedoms, rule of law, separation of powers and the respect for democratic principles;*
46. *Acknowledges that the EU-Moldova Association Agreement and the Deep and Comprehensive Free Trade Area are key to Moldova's path towards EU membership as they have provided a framework conducive to ambitious reforms and constitute a monitoring mechanism of accomplishment of achievements and outstanding issues on those reforms;*
47. *Welcomes Moldova's continued efforts in the justice sector and the fight against corruption; welcomes the progresses made in the pre-vetting process of the Superior Council of the Magistracy and the Superior Council of Prosecutors; welcomes also the adoption of the amendments to the law on the Prosecutor's Office; underlines the need to follow due process and pursue quality of reform as to ensure its sustainability;*
48. *Welcomes the progress of the prosecution on a number of high-profile anti-corruption cases or those involving USD 1 billion bank fraud; calls for a strengthened cooperation between EU Member States and Moldovan authorities in investigating the bank fraud and, in particular, in ensuring the repatriation of stolen assets and prosecuting those responsible; takes notes, in this regard, of the recent decision of the United States of America to designate two fugitive oligarchs along with a larger group of individuals and entities for their involvement in corruption and Kremlin-linked effort to interfere in Moldova's democratic elections;*
49. *Recognises that efforts should be made to accelerate the reforms on anti-corruption and to communicate about them adequately to the public; is aware these factors as well as the slow evolution of high-profile cases may generate public disillusionment with the justice reform process; encourages the Moldovan authorities, in close cooperation with the EU and with civil society actors, to develop and implement an exhaustive communication strategy, covering all the regions of the country, to explain the complexity of the reforms process to Moldovan citizens;*
50. *Encourages efforts to collaborate with the European Public Prosecutor's Office for better management of fraud and anti-corruption investigations, welcomes the signing of the working arrangement between the European Public Prosecutor's Office (EPPO) and the General Prosecutor's Office of Moldova which are of paramount importance in light of the protection of EU funds in the framework of Moldova's EU accession process;*
51. *Calls on the Moldovan government to increase transparency, democratic oversight and accountability across decision-making process and to closely cooperate with civil society to allow for adequate public scrutiny and inclusiveness; recalls that enhancing the involvement of civil society in decision-*

making processes at all levels is at the core of the EU-Moldova Association Agreement, and also features in the conditions set out in the Commission's Opinion;

- 52. Welcomes the adoption on 22 August by the Republic of Moldova and the EU of the Association Agenda 2021-2027 reflecting the Eastern Partnership policy objectives and taking into account the Commission's priorities addressing the COVID-19 challenges, working towards health resilience and socio-economic recovery; takes note of the particular importance given to the reforms in the areas of rule of law, anti-corruption and justice reform which are also reflected in the Commission's Opinion; looks forward to the publication of the report on the implementation of the Association Agreement in November and to the conclusions of the Association Council meeting that will reflect the progress made in the EU acquis alignment; welcomes the adoption of the Multiannual Indicative Programming 2021-2027 providing an annual budget of EUR 65 million;*
- 53. Welcomes the 13th round of the EU-Moldova Human Rights Dialogue held in Brussels on 19 October; is satisfied that the EU assessed positively the ratification by Moldova of the Istanbul Convention, the adoption of hate crime legislation, the ongoing work to reform the Electoral Code as well as the adoption of the new Child Protection Programme and Action Plan for 2022-2026;*
- 54. Welcomes the EU regulation on temporary trade liberalisation of agricultural products exports; in light of the disruption to Moldova's exports and supply chains brought by the war in Ukraine, calls for the EU to move towards the abolition of EU quotas on Moldovan products and expand the range of products exported to the EU; calls on the EU to put forward additional proposals aimed at ensuring the permanent and full liberalisation of trade and transport with the EU; calls on the EU to facilitate Moldova's participation to the Single Market Program, Fiscalis and Customs programs which would facilitate deeper integration of the country into the EU Single Market;*
- 55. Welcomes the signing of the Program for mutual recognition of authorised economic operators between the Republic of Moldova and the European Union; is satisfied that the programme will allow authorised economic operators from the Republic of Moldova to be recognised by all 27 EU Member States, further deepening the economic integration between Moldova and the European Union;*
- 56. Supports the interest of Moldova in advancing cooperation with the EU in the area of digitalisation and telecommunications; urges the EU and Moldova to mutually abolish roaming tariffs between Moldova and the EU;*
- 57. Commends the Moldovan government for its commitment to maintain the balance between actively pursuing reforms and tackling the negative effects of Russia's aggression against Ukraine; notes with satisfaction that the elected Parliament has showed willingness and ability to support the Moldovan government's ambitious reforms programme by swiftly adopting a series of legal acts aimed at reforming the judiciary, fighting corruption, digitalising the economy and increasing minimum pensions;*

58. *Commends the Moldovan authorities and the Parliament for approving the National Development Strategy "European Moldova 2030", indicating the country's development directions and international commitments assumed under the Association Agreement with the EU and from the status of a candidate country for joining the EU; notes that the objectives include increasing the wellbeing of the Moldovan people, improving the lives of citizens, strengthening democracy, the rule of law and respect for human rights;*
59. *Welcomes the establishment of the Moldova Support Platform by EU Member States, G7 countries, international partners intended to mobilise and coordinate international support; welcomes the second Ministerial Conference of the Platform on 15 July in Bucharest and looks forward to the third Conference in Paris on 21 November; urges all Platform partners to ensure the timely disbursement of their pledges, in order to continue supporting Moldova's reform efforts and its path towards EU integration as candidate country;*

On the peaceful conflict resolution

60. *Recalls its support for a comprehensive, peaceful settlement of the Transnistrian conflict, based on the sovereignty and territorial integrity of Moldova with a special status for Transnistria;*
61. *Commends the European Union for its constructive participation as an observer in the 5+2 negotiation process; takes note that the 5+2 format is frozen as a consequence of Russia's aggression against Ukraine; stresses however the importance of continued contacts between the political representatives to deal with the new security-related, economic and humanitarian challenges and the consequences of closed borders along the Transnistria segment of the Ukrainian-Moldovan border; welcomes the Chişinău authorities' willingness to maintain such contacts;*
62. *Encourages nevertheless all the confidence-building measures designed to increase trust between Chişinău and Tiraspol; reiterates the importance of the mission performed by the EU Border Assistance Mission (EUBAM), which supports Moldova's and Ukraine's efforts to effectively manage their common border.*