Establishing the Reform and Growth Facility for Moldova

2024/0258(COD) - 21/03/2025 - Final act

PURPOSE: to establish a Reform and Growth Facility for the Republic of Moldova.

LEGISLATIVE ACT: Regulation (EU) 2025/535 of the European Parliament and of the Council establishing the Reform and Growth Facility for the Republic of Moldova.

CONTENT: this Regulation establishes the **Reform and Growth Facility for Moldova for the period 2025-2027**.

The Facility will **provide assistance to Moldova for the delivery of Union-related reforms**, in particular inclusive and sustainable socio-economic reforms and reforms concerning fundamentals of the enlargement process, aligned with Union values, as well as investments to implement Moldova's Reform Agenda.

Objectives

The general objectives of the Facility will be to:

- support the enlargement process by accelerating the alignment with Union values, laws, rules, standards, policies and practices ('acquis') through the adoption and implementation of reforms with a view to future Union membership;

- support the progressive integration of Moldova into the Union **single market**;

- accelerate the **socio-economic convergence** of Moldova's economy with the Union;

- foster **good neighbourly relations** with Member States and Union enlargement partners, as well as people-to-people contact.

The Facility should further strengthen the fundamentals of the enlargement process, including the **rule of law and fundamental rights**, the functioning of democratic institutions, including de-polarisation, public administration and fulfil the economic criteria; this includes promoting an independent judiciary, strengthening the fight against fraud and all forms of corruption, including high-level corruption, oligarchic influence and nepotism, organised crime, cross-border crime and money laundering as well as terrorism financing.

In light of Russia's war of aggression against Ukraine, as well as hybrid attacks targeting the country and democratic institutions, the Facility will help Moldova address significant challenges, particularly in **the economy, energy, food and value chains,** and will strengthen its resilience to **information manipulation and interference** from abroad in its sovereignty, democratic processes and institutions.

To achieve the goals of the Growth Plan for Moldova, emphasis with respect to **investment areas** should be placed on sectors such as connectivity, infrastructure, including sustainable transport, decarbonisation, energy, green and digital transitions, agriculture and food industry, rural development, as well as education, labour market participation and skills development, with a particular focus on children and youth.

The granting of support under the Facility is subject to the precondition that Moldova upholds and respects effective democratic mechanisms, including parliamentary pluralism, free and fair elections, freedom, independence and pluralism of the media, independence of the judiciary and the rule of law, and ensures compliance with all human rights obligations, including the rights of persons belonging to minorities.

Funding

The Facility will be financed by resources from the Neighbourhood, Development and International Cooperation Instrument (NDICI - Global Europe) up to **EUR 520 million in the form of non-repayable support** and by a maximum amount of **EUR 1 500 million in the form of loans**.

The financing of the non-repayable financial support will come from the envelope allocated to the Neighbourhood Geographic Programme under the Regulation establishing the NDICI – Global Europe. This amount covers the provisioning of loans for EUR 135 million, the support provided by the Union to projects approved under the Neighbourhood Investment Platform and complementary support, including support to civil society organisations and technical assistance. At least **25%** of the loan component will be made available to Moldova for investment projects approved under the Neighbourhood Investment Platform. The complementary support must correspond to at least **20%** of the total non-repayable financial support.

Moldova will have access, as pre-financing, to a maximum percentage of **18%** of the total amount provided for under the financial assistance facility.

Funds under the Facility may not support activities or measures that undermine **the sovereignty and territorial integrity of Moldova**.

Facility Agreement

For the purpose of implementing the Facility, the Commission will conclude a Facility Agreement with Moldova, which will set out the obligations and conditions for payments for the disbursement of funds. The funds will be released twice a year, based on requests from the Moldovan Government and after verification by the Commission that all the conditions set out in the reform programme have been met.

Transparency

Moldova will publish updated data on final recipients receiving funding amounts exceeding the equivalent of **EUR 50 000** cumulatively over the three-year period for the implementation of reforms and investments under the Facility.

Parliamentary control and supervision of the facility

The Commission will be required to report to the relevant committees of the European Parliament on the progress of the Facility and the reform agenda. The report will include an assessment of the reform agenda, as well as information on payments, withholding, and reduction procedures, including any observations aimed at ensuring compliance with conditions. A **regular dialogue** between the European Parliament and the Commission will take place at least once a year.

ENTRY INTO FORCE: 22.3.2025.