Basic information

2017/2281(INI) INI - Own-initiative procedure	Procedure completed
Implementation of the EU association agreement with Moldova See also 2014/0083(NLE) **Subject** 6.20.03 Bilateral economic and trade agreements and relations 6.40.15 European neighbourhood policy **Geographical area** Moldova	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AFET Foreign Affairs	AUŠTREVIČIUS Petras (ALDE)	04/07/2017
	Shadow rapporteur KOVATCHEV Andrey (PPE) CRISTEA Andi (S&D) TANNOCK Timothy Charles Ayrton (ECR) SCHOLZ Helmut (GUE/NGL) HARMS Rebecca (Verts/ALE) CASTALDO Fabio Massimo (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	MARTIN David (S&D)	11/10/2017

Key events

Date	Event	Reference	Summary
18/01/2018	Committee referral announced in Parliament		
09/10/2018	Vote in committee		
15/10/2018	Committee report tabled for plenary	A8-0322/2018	Summary

13/11/2018	Debate in Parliament		
14/11/2018	Decision by Parliament	T8-0458/2018	Summary
14/11/2018	Results of vote in Parliament		
14/11/2018	End of procedure in Parliament		

Technical information	
Procedure reference	2017/2281(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Amendments and repeals	See also 2014/0083(NLE)
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	AFET/8/11786

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	INTA	PE619.163	25/06/2018	
Committee draft report		PE622.300	20/07/2018	
Amendments tabled in committee		PE627.674	11/09/2018	
Committee report tabled for plenary, single reading		A8-0322/2018	15/10/2018	Summary
Text adopted by Parliament, single reading		T8-0458/2018	14/11/2018	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)43	11/03/2019	

Implementation of the EU association agreement with Moldova

2017/2281(INI) - 15/10/2018 - Committee report tabled for plenary, single reading

The Committee on Foreign Affairs adopted the own-initiative report by Petras AUŠTREVIČIUS (ALDE, LT) on the implementation of the EU Association Agreement with Moldova.

Four years after the signing by the EU of the Association Agreement (AA) including a Deep and Comprehensive Free Trade Area (DCFTA) with Moldova, and two years after its full entry into force, the European Parliament has decided to evaluate the level of implementation of this agreement, in line with its strong commitment to its closest Eastern partners and to their deepening relations with the EU.

Political and economic relations between the European Union and Moldova have deepened in the framework of the Eastern Partnership and in particular with the signing, on 27 June 2014, and entry into force, on 1 July 2016, of the EU-Moldova Association Agreement (AA) including a Deep and Comprehensive Free Trade Area (DCFTA).

As a consequence of the DCFTA, EU-Moldova trade increased by 20% in 2017, to EUR 4 billion and the EU is currently Moldova's biggest trading partner, accounting for over 55 % of total trade.

While stressing the importance of the AA/DCFTA and the **progress achieved by Moldova to date** in a number of areas, Members insisted, however, that full implementation of the AA/DCFTA, with regard, in particular, to **political reforms**, must be a top priority, enabling a further deepening of the country's relations with the EU, for the benefit of all Moldovan citizens.

Members are concerned the country is **backsliding** in relations to democratic standards, rule of law, lack of fair and transparent elections as well as impartial judiciary, insufficient anti-corruption and anti-money laundering efforts. Still, they praises those leading the efforts, which should be pursued, to reform the banking sector following the 2014 bank fraud of USD 1 billion.

According to the report, Moldova is captured by **oligarchic interests** with a concentration of economic and political power in the hands of a small group of people exerting their influence on parliament, the government, political parties, the state administration, the police, the judiciary and the media.

Particular concerns were made as regards the following:

Elections: the EU has repeatedly expressed concern as regards the deterioration of democratic standards through recent decisions by the Moldovan authorities, including the June 2018 invalidation of the local elections in Chișinău on dubious grounds and in a non-transparent way, the July 2017 electoral reform adopted despite the negative recommendations of the ODIHR and the Venice Commission, the lack of progress in the prosecution of those responsible for the USD 1 billion bank fraud unveiled in 2014 and the increase in breaches of human rights, notably targeting independent judges, journalists and political opponents.

Members reaffirmed Parliament's readiness to observe Moldova's next parliamentary elections.

Macro financial assistance disbursement: as a result of the abovementioned developments, in 2017, the EU did not pay the last two instalments under the budget support programme for justice sector reforms because the Moldovan authorities showed insufficient commitment to reforming this sector. In 2018, the EU **suspended the disbursement** of the first instalment of the macro-financial assistance due to the non-fulfilment of the political conditions that a pre-condition for granting macro-financial assistance is that the beneficiary country respects effective democratic mechanisms, including a multi-party parliamentary system and the rule of law and guarantees respect for human rights.

Members reiterated their position that any decision on future macro financial assistance disbursement should only take place **after the parliamentary elections scheduled for February 2019**, and that the payment of all budget support programmes should remain on hold until meaningful progress in democratic standards takes place including reform of the judiciary and judicial action against the persons responsible for the bank fraud.

Media and civil society: the monopolisation of media and advertising market, the weakening of independent news outlets, the overdue implementation of the new audio visual code, the attempts to limit the freedom of action and discredit representatives of civil society were highlighted as areas of concern. In particular, Members underlined the last minute changes to the Audiovisual Media Services Code adopted in July 2018 that were not subjected to consultations with civil society. They urged the Moldovan authorities to fully implement the Code in line with European standards of media freedom and pluralism as recommended by the European Commission and the Venice Commission.

In this regard, the Commission and the EEAS are called to continue **reallocating funds to support civil society and independent media** in Moldova, as well as the private sector and local authorities, including through new partnership and development projects, preferably coordinated with assistance from other EU countries and to coordinate efforts with other organisations such as the IMF to ensure greater coherence in terms of financial assistance conditionality.

Implementation of the EU association agreement with Moldova

2017/2281(INI) - 14/11/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 396 votes to 76, with 18 abstentions, a resolution on the implementation of the EU Association Agreement with Moldova.

While stressing the importance of the AA/DCFTA and the progress achieved by Moldova to date in a number of areas, Members insisted, however, that full implementation of the AA/DCFTA, with regard, in particular, to political reforms, must be a top priority, enabling a further deepening of the country's relations with the EU, for the benefit of all Moldovan citizens.

Members are concerned the **country is backsliding in relations to democratic standards**, rule of law, lack of fair and transparent elections as well as impartial judiciary, insufficient anti-corruption and anti-money laundering efforts. Still, they praises those leading the efforts, which should be pursued, to reform the banking sector following the 2014 bank fraud of USD 1 billion.

According to the resolution, Moldova is captured by oligarchic interests with a concentration of economic and political power in the hands of a small group of people exerting their influence on parliament, the government, political parties, the state administration, the police, the judiciary and the media.

Particular concerns were made as regards the following

Elections: Parliament regretted Moldova's **deliberate violation** of political conditions related to democratic standards, in particular the recent changes in the **country's electoral legislation** (not taking into account some of the main recommendations of the joint opinion of the Venice Commission and the ODIHR) which led to the suspension of macro-financial assistance (MFA) and the remaining budget support payments.

Members believe that any decision on the **future MFA disbursement** should only be taken after the parliamentary elections scheduled for February 2019 and on condition that they are conducted in line with internationally recognised standards and assessed by specialised international bodies.

The payment of all budget support programmes should remain on hold until meaningful progress in democratic standards takes place including reform of the judiciary and judicial action against the persons responsible for the bank fraud. In the meantime, the Commission and the EEAS to continue reallocating funds to support civil society and independent media in Moldova, as well as the private sector and local authorities.

Members reaffirmed Parliament's readiness to observe Moldova's next parliamentary elections.

Media and civil society: the monopolisation of media and advertising market, the weakening of independent news outlets, the overdue implementation of the new audio visual code, the attempts to limit the freedom of action and discredit representatives of civil society were highlighted as areas of concern.

In particular, Members highlighted last minute changes to the Audiovisual Media Services Code adopted in July 2018 that were not subjected to consultations with civil society. They urged the Moldovan authorities to fully implement the Code in line with European standards of media freedom and pluralism as recommended by the European Commission and the Venice Commission. They stressed the importance of ensuring genuine independence of the media regulatory agency.

Rule of law, good governance, human rights: concerned about the selective justice practices of the Moldovan judiciary, Parliament urged the Moldovan authorities to ensure the **independence, impartiality and effectiveness** of the judiciary and specialised institutions in the fight against corruption. It expressed concern about the increased risk of money laundering following the early adoption of the 'fiscal reform package' in July 2018, which includes a tax amnesty regime which may legalise illegally acquired assets. It also stressed the need to tackle organised crime as well.

Parliament also insisted on the need to:

- intensify efforts to defend human rights and fundamental freedoms, including the protection of vulnerable groups, by combating hate speech, violence, social exclusion and discrimination against LGBTQI people as well as people with disabilities and minorities, such as the Roma;
- ensure effective compliance with trade and sustainable development clauses and international commitments, and in particular the proper application of the fundamental conventions of the International Labour Organisation (ILO);
- take more determined action on environmental protection, waste management and climate change.