

The EU approves new budget assistance to the Republic of Moldova to support rule of law, energy and public finance reforms

Today, the European Commission has approved the disbursement of €14.35 million in budget support assistance to help deliver much-needed reforms that are being taken forward by the new government in the Republic of Moldova. This assistance will support police reform, the fight against corruption and anti-money laundering, the modernisation of the energy sector and a more efficient and transparent public finance policy.

Johannes **Hahn**, Commissioner for European Neighbourhood Policy and Enlargement Negotiations commented: *"Today's assistance package demonstrates the EU's commitment to the Moldovan citizens, who have long demanded that such reforms are put in place. The Moldovan authorities are intensifying their work to combat corruption in an effective way and to guarantee the independence of the judiciary and prosecution services. This is vital for public trust and needs to move forward at full speed. The Moldovan people can count on the EU's full support to accompany the process."*

This new payment follows the [budget support payments made in July 2019](#) (€14.54 million), the [recently announced first instalment of Macro-Financial Assistance](#) (€30 million), and the [EU-Moldova Association Council](#), last 30 September 2019.

To recall, the Commission resumed its budget support payments to the Republic of Moldova in July this year, following a nearly two-year period during which such payments had been put on hold due to a deterioration of the rule of law situation in the country. Following the change of government in June 2019, the Moldovan authorities have engaged in a significant and substantial structural reform process, which has provided the necessary conditions for the EU to resume its budget support and macro-financial assistance to the Republic of Moldova.

The EU recognises the important steps the government has taken in addressing the problem of significant politicisation of state institutions, corruption and the lack of independence in the judiciary and prosecution services. With these steps, the coalition government has addressed many of the EU's concerns identified already in the Council Conclusions of 26 February 2018. In particular, positive developments have taken place in the reforms in the electoral system, the draft law on the reform of the Supreme Court of Justice and the legislation on the Prosecutor General. Moreover, the Republic of Moldova has sought the opinion of the Venice Commission on its draft laws, which is a positive development. Public consultations also remain important. The new government has also re-established relations with the International Monetary Fund (IMF). On 20 September, the IMF completed the fourth and fifth

reviews of its programme with Moldova.

The European Commission and the European External Action Service will continue to monitor closely the political situation and assess the fulfilment of the conditions ahead of any future budget support payments.

Background on the new EU assistance package

The amount of €14.35 million corresponds to budget support disbursements that will reinforce the following three programmes:

Support to the Reform of the Energy Sector: with EU support under this programme, Moldova has made good progress on the legal approximation of the electricity, gas sector and energy efficiency/renewable energy sectors in line with the EU-Moldova Association Agreement. With regard to the interconnection to EU energy networks, the construction of the strategic Ungheni-Chisinau gas pipeline has been progressing, albeit slowly. In addition, the construction of the electricity interconnection between Moldova and Romania, loan agreements with the European Bank for Reconstruction and Development and the European Investment Bank were signed and ratified at the end of 2018. Initial preparatory work has started with EU support.

Support to Police Reform in the Republic of Moldova: this EU programme has supported pilot projects of community policing, including in cities outside Chisinau. In addition, all police inspectorates have been equipped with and are using a secure voice and data communication network to facilitate intelligence-led policing. Thirdly, the Ministry of Internal Affairs has established anti-corruption and anti-money laundering units within the police, to promote the principles of zero tolerance to corruption in the police force.

Support to public finance policy reform: with EU support under this programme, Moldova made progress in the way it is managing its public finances and preparing its budget in a more transparent manner. For instance the authorities have improved access of citizens to budget information by preparing a citizen budget. They also have been improving control and reporting of expenditures and reinforcing debt management. The Court of Accounts also took actions to make its audits more effective and ensure a stronger oversight of the budgetary implementation.

For more information

[Factsheet – EU-Moldova relations](#)

[EU Delegation to the Republic of Moldova](#)

[Press release of 10 October EU approves €30 million disbursement in Macro-Financial Assistance to the Republic of Moldova](#)