

The role of the Eastern Partnership in advancing Moldova's European integration process

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Introduction

The Eastern Partnership programme has widely contributed to the strengthening of the bilateral and multilateral cooperation between Moldova and the EU. The EaP's priorities and deliverables during its 15-year history, along with its sectoral programmes, were an important leverage on the internal reform process in Moldova and pushed the social and economic development of the country.

Moldova's performance related to the EaP was largely shaped by the political developments in the country. The lack of political will to ensure the real independence of the justice and prosecution offices, but also the wide influence of kleptocrats over the governance system, affected the results obtained by Chisinau's authorities in the first 10 years of the EaP. The democratic backsliding during Plahotniuc's regime, coupled with the former president Dodon's pro-Russian stance, altered the institutional efforts to speed up the full implementation of 2020 EaP deliverables.

With the new political leadership elected in 2020 and 2021, Moldova has entered a new qualitative phase in its engagement with both EU and EaP countries, especially Ukraine and Georgia. The dialogue with Brussels, Kyiv and Tbilisi has been strengthened and sped up both in bilateral and multilateral fora, culminating with the establishment of the "Association Trio" in August 2021. Despite multiple global and regional challenges, related to the COVID-19 pandemic and, more recently, Russia's war against Ukraine, Moldova has successfully managed and further enhanced its diplomatic interaction with these parties. It has proven to be a reliable partner for both EU and Ukraine in the current security context. Last, but not least, the EU candidate status and the opening of the EU accession negotiations, following the European Council decision in December 2023, has paved the way for an upgraded and multi-layered cooperation between EU and Moldova, focused on advancing Chisinau's reform agenda and strengthen its resilience to multiple crises.

The reflection process regarding the future of the Eastern Partnership was initiated with large participation from the European institutions, EU and EaP countries, but also civil society. Although the EaP achieved a number of important results in its 15 years of existence, a reconsideration and fine tuning of its core priorities was needed. The main changes are related to the geopolitical and security developments in the Eastern Partnership region, as well as the wider contrast between the EaP countries in terms of their sectoral integration with the EU.

This paper aims to provide an initial assessment of the implementation of the key priorities of the EaP, and the role of these priorities in shaping the ongoing reform agenda in Moldova. By examining the progress achieved by Moldova, in partnership with the EU

and other EaP countries, on the agreed actions, this part will highlight the perception of the EaP in Moldova. A set of recommendations for upgrading EaP policy relevance and impact for Moldova will be presented at the end of the paper.

State of good governance and rule of law

There were only modest results on improving the rule of law and anti-corruption efforts, as well as key judicial reforms, in Moldova during the first decade of the EaP. The government implemented a number of recommendations coming from the Venice Commission and the Group of States against Corruption (GRECO), related to the composition of the self-regulatory bodies within the judicial (Supreme Court of Magistrates) and prosecutor system (Supreme Council of Prosecutors). Still, their overall stance continued to be politicized. The appointments of members in these systems continued to be politically motivated and, thus, affected by judicial integrity concerns. The investigation of high-level corruption cases by the specialized anti-corruption prosecutors' office was often prolonged and led a limited number of convictions. Selective justice and the arresting of political activists opposing the kleptocratic regimes in power has diminished the public perception of the efforts by national authorities to fight corruption and ensure fair and correct investigations of the alleged law violations.

The Sandu-led government, which was shortly in power between June and November 2019, promoted a multi-layered reform process, based on (1) an updated and better suited evaluation system of judges and prosecutors, with the involvement of external experts and rigorous evaluation criteria, (2) the reformation of the Supreme Court of Justice through the reduction of the number of judges and adjustment of their competences within the judicial hierarchy, and (3) the establishment of a special commission, formed by both national and international experts, for the pre-selection of a new Prosecutor General. These ambitious reforms were not met with enthusiasm by two out of three political groups in the Parliament and paved the way for the dismissal of the government in late 2019.

At the institutional level, Moldova has pursued a few ambitious reforms. The establishment of the National Integrity Authority (NIA) in 2016 was meant to facilitate checks on integrity and to handle possible conflicts of interests related to the political decision-makers, public functionnaires, prosecutors, judges and others. Furthermore, with the formation of the Anti-Corruption Prosecutor Office in 2016 and the Agency for Recovery of Criminal Assets in 2017, the operational capacity for the investigation of frauds and illegalities increased.

However, no significant progress was registered on "bank fraud" investigations and the recovery of assets from international jurisdictions, two high-level priorities in Moldova's Europeanization agenda. Although the independent reports¹ provided by the Kroll company (which was contracted by the Moldovan government to track funds stolen from the state budget) reported on a set of fraudulent schemes, companies and high-level decision-makers that participated in illegal transactions, no relevant results were

¹ National Bank of Moldova published a detailed summary of the second investigation report of the Kroll and Steptoe & Johnson companies, <https://www.bnm.md/en/content/nbm-published-detailed-summary-second-investigation-report-kroll-and-steptoe-johnson>.

achieved. In another dossier called the "Russian Laundromat", 16 judges were under investigation but only a few of them have received convictions. Both cases proved the lack of political will, the influence of vested groups over the governmental institutions, and the deficiencies in national strategies and programs for the prevention and combating of high-level corruption.

Under a new government starting in July 2021, led by the Party of Action and Solidarity (PAS), Moldova achieved a few important results in terms of justice and anticorruption reforms. The Parliament initiated the process of an extraordinary evaluation of judges and prosecutors, also known as the vetting mechanism, and establish pre-vetting and vetting commissions. The pre-vetting commission is in charge of evaluating the candidates for the Supreme Council of Magistracy and the Supreme Council of Prosecutors, while the vetting commission will assess a broad number of judges and prosecutors. The commissions are formed by 6 members elected by the Parliament: three international experts were recommended by Moldova's development partners, two were nominated by the parliamentary majority and one by the opposition. The evaluation process of the candidates for the Supreme Council of Magistracy and the Supreme Council of Prosecutors started in mid-2022 and the newly elected bodies were formed in late 2023. At this stage, the vetting commission is expected to finalise the selection of honest and fair judges and prosecutors by mid-2025, and establish reformed and competent law bodies in these two areas.

The fight against high-level corruption was intensified as well. Although not reformed yet, the General Prosecutor's Office and Anticorruption Prosector Office relaunched the investigation of corruption allegations related to the activity of kleptocrats and their political allies. An important example is the former president Igor Dodon, currently under investigation on four charges: passive bribery, financing of his political party by a criminal organization, betrayal of his homeland, and illicit enrichment. The rule of law institutions also sped up the repatriation process of the Moldovan kleptocrats currently residing abroad. However, the length of these procedures, and the little progress achieved by the authorities in the last years, offer only little optimism for a successful conviction of key criminal figures.

Strengthening of economic and social resilience

The EaP programs, in particular the EU4Business, brought a number of important opportunities for the Moldovan business community. By 2020, more than 30 projects were developed in Moldova, leading to 11 418 new jobs created and 19 105 SMEs receiving support². Only in 2022, the total value of projects financed was estimated to be 131 million euros³.

The trade facilitation has had a direct impact on the level of exports and the development of the internal business environment. One of the key beneficiary sectors has been agri-food, with exports increasing by 47% between 2014 and 2018⁴. The main categories of agri-products which have benefited from the trade with EU have been wheat (increase by

² EU4Business Portofolio in Moldova, <https://eu4business.eu/portfolio-2020#by-country/republic-of-moldova/>.

³ Idem

⁴ Data provided by the National Bureau of Statistics, <https://statistica.gov.md/category.php?l=ro&idc=336>.

3.7 times), sunflower seeds (increase by 2.7 times), corn (increase by 1.9 times) and wine and fresh grapes (increase by 1.7 times).

Between 2015 and 2018, the industrial sector grew by 761 million USD or 26% compared to the period 2011-2014. The net impact of trade with the EU was estimated to be 125 million euros, three times lower than in the agri-food sector. The increase in exports was widely influenced by the cut in tariffs, the diversification of markets and the entry of foreign companies in the Moldovan market, especially in the automotive and textile industries. Over 50% of the industrial exports are labelled as re-exports: many raw materials used in industrial production did not originate in Moldova.⁵

Moldovan exports to the EU more than doubled from 1.24 billion USD in 2014 to 2.64 billion USD in 2023⁶. During the same time, the share of exports to the EU increased from 46.8% to 65.4% while exports to the Commonwealth of Independent States (CIS) market decreased from 38% to 22.1%⁷.

However, both the industrial and agricultural sectors were affected by several constraints and challenges. First, half of the export was concentrated to a few countries (Romania, Poland, Italy), which makes Moldovan exports dependent on the level of demand in those states. Second, while trade under the preferential tariff quotas for agricultural products have increased the overall trade with the EU, most of the quotas are far from being exhausted. Only two categories of products (plums and grapes) have exhausted the quotas established within the DCFTA. The main reason behind the low competitiveness of some Moldovan agricultural goods is the lack of compliance with the quality standards requested by the EU. Third, the lack of institutional capacity in governmental bodies (e.g. the Ministry of Economy and Infrastructure) affected the speed of implementation of certain provisions of the DCFTA, especially those related to the harmonization of legislative acts.

In 2021, the Parliament approved the Customs Code, which entered into force in 2024. New regulations have sped up the certification of goods and reduced bureaucracy. Following the reorganization of the National Agency for Food Safety, Moldova has met the criteria to export to the EU dairy products made from raw milk products, processed meat, and poultry eggs.

In light of Russia's war against Ukraine, the EU decided in July 2022 to temporarily liberalise trade for seven Moldovan agricultural products for which there were still quotas in place: tomatoes, garlic, table grapes, apples, cherries, plums and grape juice⁸. The new rules were prolonged in 2023 and 2024, and have proved to be an important incentive for small agricultural producers to reorient their exports to the EU. In the last 8 years, more than 530 agricultural producers have obtained loans on advantageous terms, worth 92 million euros, thanks to the EU programmes⁹.

⁵ A. Lupușor, *DCFTA după 5 ani de implementare: impactul estimat și concluzii pentru următorii 5 ani (DCFTA after 5 years of implementation: estimated impact and conclusions for the next 5 years)*, p. 13, <https://dcfta.md/uploads/0/images/large/studiul-dcfta-5-ani.pdf>.

⁶ Data provided by the National Bureau of Statistics, www.statistica.md.

⁷ Data provided by the National Bureau of Statistics, www.statistica.md.

⁸ <https://euneighbourseast.eu/news/latest-news/moldovan-agricultural-products-eu-adopts-temporary-trade-liberalisation-measures/>.

⁹ <https://eu4moldova.eu/european-achievements-and-perspectives-how-did-the-relationship-between-the-european-union-and-the-republic-of-moldova-evolve-in-2023/>

The main challenges related to the implementation of the DCFTA are related to the (1) limited number of small and medium enterprises in Moldova that have the capacity and resources to export to the EU, (2) limited number of agricultural products of animal origin that can be exported to the EU, and (3) moderate implementation of DCFTA-related legislative and policy provisions.

To address these challenges, the EU is currently supporting the development of the SME sector through wide financial support. Only in 2023, the EU offered support to 2870 Moldovan SMEs¹⁰. Until 2026, the EU aims to support at least 300 enterprises in their efforts to develop and expand their business at the national and international level¹¹.

Energy and environment protection

In the last years, Moldova has made progress on improving the institutional and policy setting for a “green” environment and economy, and an integrated waste management program. The last National Environmental Strategy was implemented between 2014 and 2023. The authorities enabled the formation of the Environmental Agency and Environmental Protection Inspectorate, which were mandated with supervision and monitoring functions at the regional level.

After signing in 2016 the Paris Agreement on climate change, Moldova has also joined the United Nations Climate Change Conference 2021 (COP 26), which took place in Glasgow by the end of 2021. One of the key commitments made by the Moldovan government at this summit was to stop deforestation and land degradation by 2030, while delivering sustainable development and promoting an inclusive rural transformation¹².

With EU support, Moldova developed in 2022 the National Waste Management Programme 2022-2027¹³ and the National Waste Action Plan 2022 – 2025¹⁴. A new green economy action plan for 2023-2027 and an Environmental Strategy until 2030 have been under development. Furthermore, with the establishment of the EU4Environment program in 2019, the EU has allocated almost 20 million euros to supporting the Ministries of Environment and Economy in the EaP states, focused on regional knowledge sharing, greener decision making, circular economy and ecosystem services and livelihoods¹⁵. The EU4Environment program has also supported over 580 SMEs benefiting from the online tool to assess their environmental performance. However, one of the key challenges remains the expansion of Ukraine’s hydropower infrastructure on the Nistru river. The further development of this project was put on hold after rounds of negotiations in 2021. Both countries agreed to stop the construction until the finalization of the environmental assessment.

Moldova has faced an energy crisis caused by a wide increase of the prices for gas and electricity, and reduction of the gas exports from Russia by 50%, as a consequence of the war. To address this crisis, the EU has allocated over the last three years around EUR 400 million to compensate gas and electricity prices paid by final consumers. More than

¹⁰ EU4Business initiative: How the EU supports SMEs in Moldova? Country report, <https://eu4moldova.eu/ro/eu4business-initiative-how-the-eu-supports-smes-in-moldova-country-report/>.

¹¹ <https://eu4moldova.eu/european-achievements-and-perspectives-how-did-the-relationship-between-the-european-union-and-the-republic-of-moldova-evolve-in-2023/>.

¹² Mihai Mogildea, Elena Bolocan, *COP26 – Can Moldova keep its word?*, IPN, https://www.ipn.md/en/cop26-can-moldova-keep-its-word-commentary-by-elena-bolocan-7978_1086488.html.

¹³ <https://www.serviciilocale.md/management-al-deseurilor/>.

¹⁴ Idem

¹⁵ EU4Environment: Towards a green economy with EU4Environment in the Republic of Moldova, <https://www.eu4environment.org/app/uploads/2022/08/Moldova-profile-2022.pdf>.

895,000 Moldovan citizens benefited from the European Union's energy assistance between 2022 and 2023¹⁶. Nowadays, all the gas imports to the right bank of Nistru come from Western countries while the gas imports from Russia are fully directed towards the Transnistrian region. In practical terms, Moldova is not dependent anymore on Russian gas and can maintain its energy security by further engaging with the EU and EaP countries.

E-transformation and digitalization of public services

The digital transformation efforts were enhanced by the continuous development of e-governance. Digitalization of public services was one of the key priorities for Moldova's 2020 Strategy, as well as for the 2017 – 2021 National Action Plan on reform of modernization of public services.

Nowadays, the national eServices portal "servicii.gov.md" offers access to 421 e-services out of 714 public services. This means that the rate of digitalization of e-services is currently 59%. In 2020, the Citizens Government Portal was launched, offering an easy and handful tool for obtaining personal data about the citizens. Although the number of digital services has increased constantly during the last years, the uptake of the e-services continues to be low. A recent analysis highlighted that 56% of the e-services for citizens had zero access rate in 2022¹⁷.

Currently, the Digital Transformation Strategy 2023-2030 is under implementation. The six pillars of the new strategy refer to (1) the development of a digital society, (2) a strong, competitive and innovative national ICT infrastructure and private sector, (3) cyber security, (4) functional, intelligent and invisible digital state, (5) the interconnected digital state at the regional and international level, and (6) the digital economy.

The EU plays a role in the digital transformation of the country. Under the EU4Digital initiative, the EU supports four thematic projects in Moldova: EU4Digital Facility, EaPConnect, EU4Digital Cyber and EU4Digital Broadband¹⁸. The EU4Digital complements bilateral EU assistance for developing a new public system for electronic procurement (M-Tender), in line with EU public procurement directives¹⁹.

The key constraints for the digital transformation of the country are related to the low use of digital tools, especially in rural areas. Due to the lack of digital education and training, the broad range of e-tools are accessed only by a limited number of groups, such as civil servants and entrepreneurs. The penetration of electronic signatures in the general public is still low and is estimated at around 7% of the population. The limited resources invested by the government in the popularization of the e-services and digital alphabetization reduce the benefits and advantages that come with the new digital tools.

¹⁶ <https://eu4moldova.eu/european-achievements-and-perspectives-how-did-the-relationship-between-the-european-union-and-the-republic-of-moldova-evolve-in-2023/>

¹⁷ <https://ipre.md/2023/09/29/nota-analitica-gradul-de-utilizare-al-serviciilor-digitale-in-republica-moldova-realitati-provocari-si-recomandari/?lang=en>

¹⁸ https://eufordigital.eu/other-projects/?wpv-country=republic-of-moldova&wpv_view_count=309.

¹⁹ <https://eufordigital.eu/countries/republic-of-moldova/>

Visa free regime and societal resilience

The abolishment of visas for the Moldovan citizens in 2014 increased considerably the cross-border flows. Between 2014 and 2024, more than 2.1 million of Moldovans travelled to the EU²⁰. The visa free regime resulted in a visible increase of short-term travel to EU countries, with more than 31 million trips done by Moldovan citizens²¹. It means that more than 270 million euro were saved by the Moldovans for visa taxes and procedures²².

The European Commission's 2021 Fourth Report on the Visa Suspension Mechanism highlighted the necessary actions to be implemented by the Moldovan authorities in order to keep and strengthen the visa free regime: adopt a strategy and action plans for justice reforms, including constitutional amendments in line with the Venice Commission's recommendations, effective implementation of the asset declaration system by high-level actors, and fight against irregular migration to the Schengen area²³.

The civil society environment continues to be dual. On the one hand, there are over 15 000 CSOs in Moldova. On the other hand, only one third of them are active according the yearly reports presented by the Fiscal Service. The lack of resources available for local CSOs, especially in rural areas, affect their sustainability and working capacity.

The Moldovan National Platform of EaP Civil Society Forum, the most representative civil society platform in Moldova, gathers more 120 CSOs²⁴. The civil society organisations are currently involved in the 33 working groups for the EU accession negotiations and have been invited to participate in the screening phase, which started in February 2024 and is expected to end in a few months.

The media environment has become more resilient and capable to defend against external propaganda and disinformation. Following Russia's war in Ukraine, the Parliament approved a law²⁵ which restricts the broadcasting of Russian TV channels and imposes much stricter sanctions for the promotion of fake news and disinformation by TV and radio stations. The regulatory body for TV and radio, the Audiovisual Council, has been reinforced to ensure the fair and comprehensive monitoring of TV and radio stations. A new and more credible composition of the Audiovisual Council has been decided to ensure the independence of this institution.

Conclusions and recommendations for an enhanced EaP policy

The EaP has generated a number of important results for Moldova. The signing of the Association Agreement in 2014, complemented by the implementation of the visa free regime and the liberalization of exports to the EU market, have greatly benefited the Moldovan economy and society. The sectoral programs developed by the EU in the field of energy, digitalization and business have provided financial mechanisms for public actors, local entities, entrepreneurs, civil society and journalists. These comprehensive

²⁰ <https://ipre.md/2024/04/26/peste-2-milioane-de-cetateni-ai-republicii-moldova-au-calatorit-fara-vize-in-uniunea-europeana/?lang=en>

²¹ Idem

²² Idem

²³ Report from the Commission to the European Parliament and the Council Fourth Report under the Visa Suspension Mechanism, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0602&qid=1631873659213>.

²⁴ <https://www.eap-csf.md/ro/>

²⁵ <https://www.parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/7108/language/en-US/Default.aspx>

achievements facilitated Moldova's path to the implementation of key reforms and the harmonization of laws with the EU acquis.

Following Russia's aggression against Ukraine and the granting of EU candidate status to Moldova and Ukraine in June 2022, and the EU candidate status in December 2023, the perception of EaP policy in Moldova has gone through an important shift. The Eastern Partnership format is no longer perceived to be sustainable and capable to move forward the cooperation between the six member countries, especially on the multilateral track. Given Belarus's support to Russia's war against Ukraine and its offensive rhetoric towards Moldova, the format itself is currently ineffective to generate mutual benefits for the participating countries.

Although the EaP delivered a number of important results and benefits for Moldova in the last 15 years, its importance after June 2022 is less relevant for the candidate countries. After receiving the EU candidate status and opening the EU accession negotiations, Moldova and Ukraine are supposed to become part of the EU's enlargement policy, which includes new financial and technical cooperation instruments. Access to the pre-accession funds in the coming years for Moldova and Ukraine will generate more ambiguity within the Eastern Partnership, given the different budgetary instruments developed for candidate and non-candidate countries.

It remains to be seen how the EU will accommodate the transition of these countries into the new budgetary instruments and dialogue formats. However, one could expect that this transition will lead to the rethinking of EaP initiatives and programs for the participating countries and a reevaluation of its core priorities.

In this respect, a set of recommendations for the fine-tuning of the core objectives and the format of the EaP must be taken into consideration:

1. The EU should consider the reformation of the EaP multilateral track and the development of a separate cooperation platform for Moldova, Ukraine and Georgia, focused on exchange of good practices and the experience of the EU accession path. Such a platform could be established after the upgrading of the Associated Trio towards a Candidate Trio, and its formal institutionalization by the EU.
2. Assist the candidate countries in the preparation process for opening the negotiations talks by identifying potential areas of immediate budgetary and technical support.
3. Scale up the financial support for the national platforms of the EaP Civil Society Forum and facilitate their participation in the monitoring and evaluation of governments' progress with the implementation of key actions for opening the negotiation talks.
4. Speed up the inclusion of the candidate countries in the framework of the pre-accession funds and establish direct budgetary support programs in line with the core benchmarks for the opening and running the accession talks.
5. Consolidate the EU's security dialogue with Moldova, Ukraine and Georgia through a shared framework of experience, knowledge, best practices and capabilities. EU should expand the direct budgetary support for defence as part of the European Peace Facility, aimed at strengthening the capacities of the strategic

- planning, operational, communication and cyber policies of the candidate countries.
6. Initiate talks with defence and intelligence institutions in the candidate countries in order to support their active participation in the PESCO projects of significant interest for each individual state.
 7. Enforce cooperation with the candidate countries in the fight against corruption, financial crimes and asset recovery. Consolidate the dialogue between the European Public Prosecutor Office (EPPO) and fraud investigation bodies in order to actively investigate the mismanagement of the EU money in Moldova, Georgia and Ukraine. Facilitate the exchange of investigative operational information between the national and EU institutions (OLAF and EPPO).
 8. Enable the full liberalization of EU trade and elimination of tariff quotas for key agricultural exports, such as apples, plums and grapes from Moldova. This will help to offset the effects of inaccessible markets in Russia and Belarus, and prevent the bankruptcy of a relevant number of farmers, but also small and medium enterprises.
 9. Ensure full and smooth integration of the candidate countries into the EU's Energy Union. Speed-up the construction of the energy grid connection with Moldova, which is now scheduled to be finalised by 2026.
 10. Moldova should upgrade its energy cooperation with Azerbaijan and ensure all the technical and infrastructure premises for potential imports of gas from Azerbaijan.
 11. In the context of the EU-Armenia Visa Liberalisation Dialogue, launched in September 2024, the Moldovan authorities could share the best institutional and policy practices to Yerevan related to the implementation of EU visa free regime requirements. Hence, Moldova could provide technical assistance to Armenia in the field of visa liberalization, especially to the Ministry of Internal Affairs, Border Police and Customs Service.
 12. Moldova should actively cooperate with EaP member states in the field of digitalization and ensure a fruitful exchange of good practices for increasing the uptake of digital public services in the society. A special focus should be on strategies for promoting the e-public services and countering of disinformation narratives.