Moldova on the path to EU membership

Russia’s war on Ukraine has changed geopolitical realities on the continent. Since the war began, Moldova has been granted EU candidate country status. It will also host the second European Political Community summit on 1 June 2023. President Maia Sandu – supported by the country’s government, led by Dorin Recean – has put forward a modernisation agenda for the country despite difficult economic and geopolitical circumstances.

EU membership application

Moldova presented its membership application to the EU on 3 March 2022, shortly after Russia began its full-scale invasion of Ukraine. The European Commission issued its opinion on Moldova’s application on 17 June 2022 and the European Council granted Moldova candidate country status on 23 June 2022. The European Council underlined that the future of Moldova and its citizens lies within the European Union and asked the European Commission to report on fulfilment of the nine conditions specified in its opinion. The conditions concern justice system reform, fighting corruption and organised crime, de-oligarchisation, reform capacities and public administration reform, public financial management including public procurement, enhancement of the role of civil society, and strengthening the protection of human rights. Commission is to report on progress in spring 2023, as well as under the annual enlargement package, usually published in October. It is expected that, once the conditions are met, the European Council will authorise the beginning of negotiations, which Moldova hopes will start in 2023.

On 1 February 2023, the Commission had already published an analytical report assessing the alignment of Moldova’s laws with the acquis communautaire. The acquis is organised in 33 chapters, grouped in six thematic clusters, in accordance with the new enlargement methodology. As per June 2022, Moldova’s progress varied between ‘early stage’ and ‘moderately prepared’.

Association agreement and deep and comprehensive free trade area

EU-Moldova relations are based on an association agreement (AA), including a deep and comprehensive free trade area (DCFTA). Signed in July 2014, the AA entered into force in July 2016, significantly improving bilateral market access. Following another year of bilateral trade increases, the EU accounted for 45 % of Moldovan imports and 58.7 % of exports in 2022, although the Moldovan trade deficit is worth €1.6 billion.

Moldova’s support for Ukrainian refugees

Moldova, a country of 2.6 million inhabitants, is host to the highest number of Ukrainian refugees per capita. Since 24 February 2022, over 780 000 Ukrainians have fled across the Moldovan border, and over 107 000 remain in Moldova. The country is also playing an important role in facilitating the EU-Ukraine solidarity lanes.

Security situation in Moldova and EU sanctions framework

While, according to Moldova’s defence minister, the country is not in imminent military danger, Moldova is under constant hybrid attack from Russia. On 13 February 2023, President Maia Sandu revealed a Russia-orchestrated planned coup against the country, aiming to ‘overthrow the constitutional order and replace the legitimate power of Chisinau with an illegitimate one’. This was preceded by pro-European prime minister Natalia Gavriliţa’s resignation. She was replaced by Dorin Recean, whose government received support from 63 of 101 Moldovan Parliament members on 16 February 2023. One month later, a reportedly Russian intelligence document revealing a 10-year plan to take control of Moldova was made public.

Transnistria – a separatist region historically backed by Moscow, with an administrative centre in Tiraspol and a 1 500-strong Russian military presence – witnessed security incidents in 2022 that had the potential to destabilise Moldova. As the Russian army was pushed back from Ukrainian regions close to Moldova, the threat receded. In this context, the EU affirmed ‘its full commitment to facilitating a comprehensive, peaceful and sustainable settlement of the Transnistrian conflict, based on the sovereignty and territorial integrity of Moldova within its internationally recognised borders, with a special status for the Transnistrian region’.
The EU adopted a decision on 28 April 2023, to establish a new sanctions regime for those supporting or implementing action undermining or threatening Moldova’s sovereignty, independence and 'the country's democracy, the rule of law, stability or security'. Such entities, natural persons and their associates may expect to have their assets frozen, lose access to new funds and face bans on entering the EU.

EU support for Moldovan security
On 24 April 2023, the EU set up the Partnership Mission in Moldova (EUPM Moldova) under the EU common security and defence policy (CSDP), with the objective of enhancing security sector resilience in the areas of crisis management, hybrid threats, and countering foreign information manipulation and interference. This is the second mission to Moldova, as the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) was launched in 2005. Currently, EUBAM is playing an active role in supporting Moldovan and Ukrainian border control agencies, thus facilitating the EU-Ukraine solidarity lanes, as well as refugees fleeing the war. Through the European Peace Facility (EPF), the EU has also provided €47 million to modernise the Moldovan army with non-lethal equipment, supporting medical services, an engineering battalion, as well as various army capacities, including cyber-defence.

Moldovan energy security
For years, Moldova was fully dependent on gas imports from Russia, which used deliveries to blackmail the country. To reduce these dependencies, Moldova started importing natural gas through physical reverse flow from the Slovak-Ukraine border in November 2022, and as of December 2022 through the Trans-Balkan corridor. As of March 2023, only the Transnistria region was receiving gas from Russia. The gas bought in 2022 is however much more expensive, which has caused social unrest. Moldova is also increasing its independence with regard to electricity. As of 16 March 2022, Moldova’s (and Ukraine's) electricity grids are synchronised with the continental European grid. This enables Moldova to buy electricity from the EU and to introduce measures increasing energy efficiency and the production of renewable energy. The EU commended these efforts during the Association Council of 7 February 2023.

Macro-financial assistance
The EU macro-financial assistance (MFA) to Moldova – until recently worth €150 million, will be increased – pending Council approval – by a further €145 million – to reach €295 million. The entire MFA for Moldova will consist of €220 million in loans and €75 million in grants. The value of this MFA is equal to a third of Moldova's estimated residual financing gap for 2022 to 2024. Over €1.2 billion in EU support has been made available for Moldova since October 2021, including, inter alia, humanitarian support of €48 million and loans from European financial institutions.

European Parliament position
In its resolution of 9 May 2023, the European Parliament adopted a proposal to increase MFA to Moldova to €295 million. In its resolution of 19 April 2023, on the challenges facing Moldova, Parliament reaffirmed its commitment to Moldova's future EU membership. Parliament also expressed its solidarity with the Moldovan people and condemned the Russian hybrid attacks, calling on Russia to cease provocations and to withdraw its military forces from Transnistria. Parliament also called on the EU to step up its multidimensional support to Moldova. Parliament has recently held several events in Moldova. The 10th Ordinary Session of the Euronest Parliamentary Assembly took place in Chisinau from 19-21 February 2023. This session was followed by high-level meetings of the Committees on Budgets (BUDG) and on International Trade (INTA), from 21-23 February 2023. The meetings sought to assess Moldova’s most urgent needs for EU financial support and to discuss bilateral trade relations. In May 2022, President Maia Sandu addressed the European Parliament plenary, while Parliament President Roberta Metsola spoke to 70 000 participants of the European Moldova Assembly rally in Chisinau in May 2023.

As trade and transit to the east has been disrupted by the war in Ukraine, the EU granted temporary trade liberalisation in July 2022 for seven key Moldovan agricultural products (plums, table grapes, apples, tomatoes, garlic, cherries and grape juice), valid until 24 July 2023. In this context, the European Commission has proposed a 1-year extension. Members are due to vote on this during their July 2023 plenary session.

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