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REPORT

on the implementation of the EU Association Agreement with the Republic of
Moldova
(2019/2201(INI))

Committee on Foreign Affairs

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EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS

Democracy produces prosperity and is sustained by it. Citizens of democratic countries can enjoy the effects of prosperity because their countries have human rights and freedom of expression at the heart of society. It is essential to look at this reality straight and unmediated when we discuss the Republic of Moldova, one of the poorest countries in Europe according to World Bank reports, a country in which, in the last ten years, democracy and corruption indicators have had a rather negative evolution.

We should not build a negative perception of the Republic of Moldova based on these indicators alone. Instead, we should be aware of the difficulties that this country had to face and support its citizens in their ambition to overcome the unfortunate situation of their country. We are a union of states that we are slowly but surely beginning to call "Europe".

Because we know very well what this closeness and political construction have meant historically and emotionally for the citizens of our countries, it is good to remember that Europe is, in reality, even more than the political construction to which each of us contributes. Parts of Eastern Europe or the Western Balkans are as European as any of our countries; the only difference is that they took a different path in the past, due to unfortunate historical events. We cannot disregard the political decisions of the yesterday -- the ones that tore this continent apart.

Our political duty is to make sure that all European citizens share the same political, social, and economic rights. It is through this lens that we should see the Republic of Moldova and the country's performance in the Association Agreement with the European Union. We should penalize any divergence from democratic principles, signal any infringement of bilateral agreements, and propose the right course of action to prevent any backsliding. But whatever we decide together must respect a fundamental aspect of this process: the citizens of the Republic of Moldova are European citizens whose wellbeing we must think of first. Politicians come and go; citizens remain.

The Republic of Moldova remains an unpredictable state. Its citizens look to the European Union, but its political class is unable to provide political stability and reliable leadership. Under the pretext of declarative neutrality, Moldovan politicians successively choose policies through which they favor Brussels or Moscow, depending on their personal interests. A fragmented and extremely tumultuous political scene blocks a national consensus on the Republic of Moldova's future. The only certainty in this context is that the situation remains troubled and unpredictable, with contradictory statements, ambiguous language, and decisions that do not always correlate with the best interests of Moldovan citizens. In the joint statement of December 2019, the Republic of Moldova, Ukraine, and Georgia stated that they would make sustained efforts to become members of the European Union. A few months later, the President and Prime Minister of the Moldova expressed skepticism about their country becoming a member of the European Union or the Eurasian Union. This was an unfortunate juxtaposition and a comment contrary to the direction that the country had committed to, even though there was no change of government or presidential election in the period between the two statements. It is worth quoting President Igor Dodon precisely: "I do not think we will be

members of the EU for the next 10-15 years. Nor of the Eurasian Union. Why do we need the Association Agreement with the EU? To make reforms and increase our quality of life, we must take advantage of this support. The EU has its problems". The statement is relevant: it shows that the European Union and its principles do not always commend the respect of Moldova's political leadership, even though Moldovan politicians fully understand the economic advantages of closer ties with the EU.

Nevertheless, this attitude is not a commitment to values; it is business and nothing more. The Eastern Partnership and the Association Agreement are based on European Union principles, the attachment to democratic values, and the belief that European citizens have rights and fundamental freedoms, whether or not their country is part of the EU.

The political class' lack of trust in a European path, the shaky attachment to European values of some politicians, and the oscillation between the West and the East have a visible negative impact on the country's evolution. The Republic of Moldova has managed to attract only part of the macro-financial assistance from the European Union. The conditionalities in the agreement signed by both parties were only partially met. Key chapters related to respect for human rights, the rule of law, and the regulation of political interference in the justice system, civil society, or freedom of expression have evolved minimally. From a political point of view, a certain part of Moldova's political class has always preferred maintaining a detrimental status quo instead of engaging in consistent and structural reforms. The need for decisive intervention and for implementing reforms is growing.

Since the establishment of the Eastern Partnership and until the end of 2018, the Republic of Moldova has received from Brussels more than one billion euros in jointly agreed projects. Statistics show that Moldovan citizens identify the European Union and the Eastern Partnership with economic prosperity (83%), human rights (79%), and freedom of expression (78%). There is nothing surprising in this data, because it reflects economic and social reality. More than 70% of Moldova's exports go to European Union countries. The economic difficulties caused by Russia's embargo were overcome in a brief period by economic exchanges with European countries. Over one million Moldovan citizens live and work between EU borders.

Notwithstanding, the same worrying dissonance remains between numbers and political behavior. Customarily, our decisions should start from political reality and be reflected in economic measures appropriate to political behavior. The option of bailing out political excesses or ignoring them for economic reasons is unsustainable. However, it is time to choose to protect what we have built and to look at the political reality precisely as it is, in order to protect the citizens of Moldova before the political establishment of the country. Too often, ordinary people suffer because the politicians who represent them do not live up to their responsibilities. There are millions of people in the Republic of Moldova, Europeans outside the European Union border, who are ill represented by their politicians. We must direct our political and economic efforts towards them, in order to be able, at the same time, to sanction as drastically as possible every political mistake that endangers Moldovan citizens and derails the country from its European path.

The European Parliament is the right place to launch a new political direction for the Republic of Moldova. It has the mandate of the citizens and the representativeness of a democratic vote. It is the right time for us to own up to our role of representatives of European citizens and look out for their interests, even if historical boundaries still separate some European citizens from others. Sooner or later, these citizens will belong to a united Europe. Until then, we must scrutinize the evolution of democratic processes and of structural reforms without forgetting our duty to all European citizens, from member countries or not, even if the politicians in power forget it.

Dear colleagues, I am asking you to give Moldovan people a chance to achieve their true potential and to hope for a better future in a united Europe.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the EU Association Agreement with the Republic of Moldova (2019/2201(INI))

The European Parliament,

- having regard to Article 8 and to Title V, notably Articles 21, 22, 36 and 37, of the Treaty on European Union (TEU), as well as to Part Five of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part (AA), which includes a Deep and Comprehensive Free Trade Area (DCFTA) and fully entered into force on 1 July 2016,
- having regard to the establishment of a visa-free regime for citizens of the Republic of Moldova in March 2014, as a result of the amendments to Council Regulation (EC) 539/2001 made by the European Parliament and the Council,
- having regard to the signature in November 2017 of a Memorandum of Understanding, a Loan Facility Agreement and a Grant Agreement on micro-financial assistance worth EUR 100 million for the period 2017-2018,
- having regard to the Moldovan National Action Plan on the Implementation of the Republic of Moldova-European Union Association Agreement (NAPIAA) for 2017-2019,
- having regard to its previous resolutions relating to the Republic of Moldova, in particular the previous resolution on the Implementation of the EU-Moldova Association Agreement of 14 November 2018¹, its resolution of 5 July 2018 on the political crisis in Moldova following the invalidation of the mayoral elections in Chişinău², of 15 November 2017 on the Eastern Partnership in the run-up to the November 2017 Summit³, of 4 July 2017 on providing macro-financial assistance to the Republic of Moldova⁴, and of 21 January 2016 on Association Agreements / Deep and Comprehensive Free Trade Areas with Georgia, Moldova and Ukraine⁵,
- having regard to the EU's decision of July 2018 to freeze the disbursement of the first instalment of macro-financial assistance, following the Supreme Court ruling on the Chişinău mayoral election, and its decision of November 2018 to cut its financial assistance, following concerns about the rule of law and the democratic backsliding of the country,
- having regard to the subsequent EU decision of July 2019 to resume budget support

¹ Texts adopted, P8_TA(2018)0458.

² Texts adopted, P8_TA(2018)0303.

³ OJ C 356, 4.10.2018, p. 130.

⁴ OJ C 334, 19.9.2018, p. 199.

⁵ OJ C 11, 12.1.2018, p. 82.

disbursements in light of the Republic of Moldova's commitment to reform the justice system,

- having regard to the EU decision of October 2019 to disburse a first instalment of macro-financial assistance worth EUR 30 million, as a result of the implementation of key reforms to improve democratic standards and protect the rule of law,
- having regard to the Commission and European External Action Service (EEAS) joint staff working document on the Association Implementation Report on the Republic of Moldova of 11 September 2019,
- having regard to the outcome of the fifth Association Council meeting between the EU and the Republic of Moldova of 30 September 2019,
- having regard to the Joint Declarations of the Eastern Partnership Summits, most recently that of 24 November 2017 in Brussels,
- having regard to the conclusions of the Foreign Affairs Council on the Republic of Moldova of 26 February 2018,
- having regard to Resolution 2308 of the Parliamentary Assembly of the Council of Europe (PACE) of 3 October 2019 on 'The functioning of democratic institutions in the Republic of Moldova',
- having regard to the 2019 Transparency International corruption perception list that awards the Republic of Moldova the 120th place out of 180 countries and territories assessed (first place being the best), while on the 2018 Transparency International corruption perception list the Republic of Moldova held the 117th place,
- having regard to the Democracy Index 2019 of The Economist Intelligence Unit, which classifies the Republic of Moldova as a "Hybrid Regime",
- having regard to Freedom House's 2020 "Freedom in the World" report, which gives the Republic of Moldova a "partly free" assessment, and its 2020 "Nations in Transit" report, which assesses the Republic of Moldova as a "Transitional or Hybrid Regime",
- having regard to the Moldovan National Action Plan on the Implementation of the EU-Moldova-Association Agreement, the National Action Plan on Human Rights 2018-2022, the National Strategy on Preventing and Combating Violence against Women and Domestic Violence 2018-2023, which mentions explicitly the ratification of the Istanbul Convention,
- having regard to the analyses and recommendations issued by the Organisation for Economic Co-operation and Development (OECD), in particular of 8 March 2018 on Young Moldova: Problems, Values and Aspirations; and of 20 April 2018 on Youth Well-being Policy Review of Moldova,
- having regard to the opinions and recommendations of the Organisation for Security and Cooperation in Europe Office for Democratic Institutions and Human Rights (ODIHR) and of the Council of Europe's Venice Commission, in particular of 15 March 2018 on electoral reform in Moldova, of 24 June 2019 on the constitutional situation

with particular reference to the possibility of dissolving parliament, and of 14 October 2019 on the draft law on the reform of the Supreme Court of Justice and the Prosecutor's Office,

- having regard to the Commission's Joint Communication on the "Eastern Partnership policy beyond 2020 - Reinforcing Resilience, an Eastern Partnership that delivers for all" of 18 March 2020,
- having regard to the Council Conclusions of 11 May 2020 on the Eastern Partnership policy beyond 2020,
- having regard to the Joint Communication of the Commission and the High Representative of the Union for foreign affairs and security policy to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 8 April 2020 on the Global EU response to COVID-19 and the Decision (EU) 2020/701 of the European Parliament and of the Council of 25th of May 2020 on providing macro-financial assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic,
- having regard to the Commission's Report to the European Parliament and the Council, Third report under the visa suspension mechanism, and the accompanying Staff Working Document, published on 10 July 2020,
- having regard to the European Parliament's recommendation to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the Eastern Partnership, in the run-up to the June 2020 Summit,
- having regard to the recommendations and activities of the EU-Moldova Parliamentary Association Committee, Euronest Parliamentary Assembly, the Eastern Partnership Civil Society Forum, EU-Moldova Civil Society Platform and of other representatives of civil society in the Republic of Moldova,
- having regard to the Statement and Recommendations adopted on the occasion of the 7th Meeting of the EU-Moldova Parliamentary Association Committee, held in Strasbourg on 18-19 December 2019,
- having regard to the conclusions of the European Parliament election observation mission to the Republic of Moldova parliamentary elections of 24 February 2019 integrated in the international election observation mission led by the OSCE/ODIHR,
- having regard to the Commission economic aid package adopted on 29 March 2020 to help the Republic of Moldova, among other countries, in its fight against the COVID-19 pandemic, which included the redirection of existing instruments to mitigate the socioeconomic impact of the crisis;
- having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
- having regard to the opinion of the Committee on International Trade,

- having regard to the report of the Committee on Foreign Affairs(A9-0166/2020),
- A. whereas through the AA/DCFTA the EU and the Republic of Moldova committed to promote political association and achieve economic integration, and the Republic of Moldova committed to incorporating the EU acquis into its own laws and practices in a large number of areas; whereas, in order to support these efforts, the Union committed to provide substantial financial and budgetary assistance to the Republic of Moldova, under the condition that core European values and principles, such as rule of law, human and democratic rights are respected and that the fights against corruption, organized crime, money laundering, oligarchic structures and nepotism are guaranteed; whereas in serious cases of backsliding cooperation can be reversed;
- B. whereas on 13 September 2017 Parliament and the Council adopted a decision to provide macro-financial assistance to the Republic of Moldova worth EUR 100 million in the context of the IMF programme to support the country's economic and financial reforms;
- C. whereas the EU repeatedly expressed concerns about the rule of law, the lack of progress in the prosecution of those responsible for the bank fraud exposed in 2014, and continued breaches of human rights;
- D. whereas the 2018 Transparency International corruption perception list and Freedom House's 2020 reports show slight progress in the Republic of Moldova in the most recent past, while the overall trend in those indexes, as well as the Democracy Index, demonstrates a deteriorating long-term trend in the state of democracy, corruption, political rights and civil liberties in the Republic of Moldova;
- E. whereas, despite changes in government, the Republic of Moldova's State institutions remain weak and the Republic of Moldova continues to struggle with the problem of State capture, as the concentration of power and control over all important sectors and institutions at the highest level of government has not significantly decreased;
- F. whereas, due to serious violations to the rule of law and to the democratic process, the EU suspended in 2018 the disbursement of the last two instalments under the budget support programme for justice sector reforms;
- G. whereas on June 11, 2019 the European Court of Human Rights (in the case of Ozdil and Others v. the Republic of Moldova) found that the Republic of Moldova had violated the rights to liberty, security, privacy and family life when in September 2018 its Intelligence and Security Service (SIS) detained and forcibly returned to Turkey five Turkish citizens who had been seeking asylum; whereas this disguised extradition is just one example of a systematic pattern of enforced and involuntary disappearance, illegal detention and deportation to Turkey of Turkish nationals in dozens of countries around the world;
- H. whereas, following the formation in June 2019 of a government committed to carrying out ambitious reforms with a programme focused on reform of the judiciary, the Commission disbursed the first instalment of Macro-Financial Assistance and resumed disbursements for sector budget support programmes, while declaring that it would continue to apply strict conditionality; whereas on 10 July 2020, the Commission approved the disbursement of a second and final instalment of 30 million euros from its

Macro-Financial Assistance (MFA) programme;

- I. whereas, however, the Republic of Moldova has not been able to access the rest of funds available under this programme, which expired in July 2020; whereas this assistance remains conditional upon implementing previously agreed reforms, in particular those aimed at strengthening the rule of law, democratic standards and bringing tangible results to the citizens;
- J. whereas in November 2019 the Moldovan parliament adopted a motion of no confidence in the government formed in June 2019 and a minority government and subsequently a new coalition government have been formed; whereas representatives of the Union institutions have expressed concern at the way in which the old government has been replaced and with regard to the reform process undertaken by the Republic of Moldova through the AA/DCFTA;
- K. whereas the new coalition government's majority in the Parliament of the Republic of Moldova has been constantly shrinking as deputies defected from the ruling alliance; whereas the Republic of Moldova will hold Presidential elections in the fall and is currently facing a period of acute political instability; whereas President Igor Dodon has underlined that the Parliament must be dissolved and early elections must be held as soon as possible; whereas on the 7th of July 2020, the Constitutional Court of the Republic of Moldova has ruled that early elections could be held only after the Presidential elections;
- L. whereas on 17 April 2020, the Russian and Moldovan governments signed an agreement for a loan of EUR 200 million to be provided by the Russian Federation to the Republic of Moldova with a preferential 2% interest rate, which was negotiated by the presidents of both countries; whereas this agreement has been ratified on the 23rd of April and, on the same day, following an appeal introduced by members of the parliamentary opposition, the Constitutional Court (CC) of the Republic of Moldova suspended the ratification law of the loan agreement until it would complete the examination of its compatibility with the Constitution; whereas on the 6th of May, the President of the CC reported pressure from the Moldovan authorities on the CC, as well as attempts to discredit its judges; whereas on the 7th of May 2020, the CC declared the loan agreement unconstitutional; whereas a new loan agreement with the Russian Federation is currently under negotiations;
- M. whereas the COVID-19 pandemic has proved the rising need for coordination in tackling common threats between the Union and neighbouring countries; whereas the Union has responded to that need with, among other tools, the provision of a financial help package to its neighbours;
- N. whereas, during the COVID-19 crisis, solidarity with the Eastern Partnership countries is of paramount importance and the Union provided substantial support to address the impact of the outbreak in the region; whereas, in this context, the Republic of Moldova will benefit from 87 million euros in redirected bilateral funding;
- O. whereas the Union is also making further MFA loans of 100 euros million available to the Republic of Moldova, as part of the decision to provide MFA to ten partner countries in the neighbourhood in order to help them limit the economic fallout from the coronavirus pandemic; whereas the first instalment of the exceptional MFA package

will be disbursed as swiftly as possible, given that the Memorandum of Understanding (MoU) with the Republic of Moldova has been ratified; whereas in order to receive the second instalment, to be disbursed within one year from the signing of the MoU, the country will have to respect certain conditionalities; whereas an important precondition for the granting of this MFA is that the country respects effective democratic mechanisms, including a multi-party parliamentary system, the rule of law and guarantees respect for human rights; whereas the conclusion of the MoU should be welcome, the implementation of the undertaken commitments should be guaranteed;

- P. whereas the Republic of Moldova has made international and national commitments to promote gender equality and the empowerment of women; whereas the country has adopted measures to promote the political representation of women, including through adoption of a mandatory 40% gender quota for the political parties' electoral lists; whereas further efforts are needed in order to advance the objectives of the 2017-2021 National Gender Equality Strategy, including appropriate funding and stronger implementation mechanisms;
- Q. whereas, despite all economic progress, the social impact of the financial assistance and the reform efforts has been rather marginal; whereas the Republic of Moldova remains one of the poorest countries in Europe facing a detrimental social situation with deserted villages and extreme poverty; whereas in 2018 38.5% of the workers in the Republic of Moldova were informally employed having no access to any form of social protection;
- R. whereas, since 1989, the population of the Republic of Moldova has shrunk by almost a third; whereas in terms of demographics, these are the worst figures in the whole of Europe; whereas Moldovans leave for higher pay and better education and facilities; whereas such a development has deep and long-lasting political, economic and social consequences; whereas the Republic of Moldova is confronted with labour shortages and a lack of professionals such as nurses and doctors; whereas the elderly, a large proportion of whom rely on remittances, are the Republic of Moldova's most vulnerable and prone to poverty;
- S. whereas the solution of the problems of the Republic of Moldova cannot be provided from outside the country and there is a need to enhance ownership by the Moldovan people to meet the challenges of the country; whereas it remains important to address the main challenges such as fight against corruption and oligarchic structures, the adherence to democratic standards, the need to find solutions for the multi-faced social problems, to ensure media plurality and to tackle poverty and emigration;

Common values and general principles

- 1. Recalls that the common values on which the Union is built, namely democracy, respect for human rights and fundamental freedoms, and the rule of law, lie also at the heart of the political association and the economic integration between the Union and the Republic of Moldova; reaffirms the Union's commitment to support the Republic of Moldova's European path through political association, economic integration and the respective reforms; notes that the AA/DCFTA remains of primary importance for the development of the Republic of Moldova, especially in current exceptional times, and commends the sustained engagement in this process of Moldovan society and authorities; recalls, however, that further progress must be achieved in its

implementation, to deliver its full potential and benefits, particularly by focusing on the independence of State institutions, their resilience against the influence from oligarchs, fight against corruption, justice, the strengthening rule of law and on improving the living conditions of the citizens; underlines that the AA/DCFTA was the main vector encouraging and supporting the process of structural reforms, democracy and the rule of law;

2. Welcomes all intentions towards a closer political, human, and economic integration with the Union in line with the principle of differentiation and based on the performance, results, and aspirations of the Republic of Moldova's authorities and society;
3. Notes the conclusions of the IMF's March 2020 Article IV consultation and the IMF Board's sixth and final review of the Republic of Moldova's economic performance under the Extended Credit Facility and Extended Fund Facility arrangements, with particular regard to the rehabilitation of the Moldovan banking system and the strengthening of financial sector governance;
4. Welcomes the disbursement of the second instalment of the Union MFA; acknowledges the reform efforts pursued by the Republic of Moldova in areas including the fight against corruption, the strengthening of the anti-money laundering framework, the adoption of a new law on the activities of NGOs, and notes that the Republic of Moldova has joined the OECD anti-corruption peer-review program (Istanbul Action Plan);
5. Is of the opinion that the disbursement of the second instalment of the EU Macro Financial Assistance Program for 2017-2020 should be followed by the efforts of the Moldovan authorities in order to fulfil the relevant conditions in the areas related to strengthening the anti-money-laundering framework with respect to which it should deliver tangible and lasting results, as well as to strengthening the independence of the national bank;
6. Calls on the Moldovan Government and the EU to cooperate to overcome the negative impact of the COVID-19 crisis on social and economic development;
7. Welcomes the outcome of the negotiations on the Memorandum of Understanding on the new exceptional EU MFA program aimed at countering the negative economic impact of the COVID-19 pandemic;

AA's implementation importance in the ongoing political developments and the run-up to the November 1 Presidential Elections

8. Notes that the November 2019 Activity Program of the of the Republic of Moldova is less ambitious than the previous government's 2030 Global Agenda and is concerned that political instability and frequent government changes are affecting the implementation of AA/DCFTA provisions and limiting the pace of reforms; supports the connection of the next Association Agenda with the new NAPIAA and emphasizes the importance of a rapid adoption of the new Agenda as an instrument to accelerate the implementation of the Association Agreement and update its priorities with the active parliamentary participation and input from civil society and other stakeholders in the EU and the Republic of Moldova; insists that the continuation of EU political and

financial support remains conditional on the delivery of tangible reforms, in particular concerning the rule of law and the judiciary; in this regard, reiterates the importance of implementing all priority reforms agreed in the Association Agenda and of fulfilling the conditionalities agreed for the disbursement of second and third tranches of the MFA;

9. Welcomes the Republic of Moldova's constructive contribution to the cooperation within the Eastern Partnership and encourages a permanent and intensified political exchange among countries part of AA/DCFTAs and the Commission on association-related reforms; calls on the Commission to make a proper use of existing mechanisms to continue monitoring the concrete implementation of reforms and develop a conditionality mechanism, including clear benchmarks, with the meaningful involvement of civil society, particularly at local level; deems it essential, in this context, to step up the financial support for CSOs, which play a critical role in fostering participation in public debates and in monitoring both the action of Moldovan authorities and the effectiveness of the Union's policies towards the country; in addition, suggests using the experience of the Support Group for Ukraine to create a similar structure for the Republic of Moldova, in order to increase the effectiveness and visibility of the Union's support;
10. Underlines that the situation in the Republic of Moldova should be closely monitored in the long term, including during the pre-electoral period, in accordance with the normal OSCE/ODIHR practices and standards, particularly in the current period of crisis, as the forthcoming presidential elections will be a test for democracy and the rule of law in the country;
11. In this respect, calls on the Moldovan authorities to ensure free and fair presidential elections scheduled on 1 November 2020 and urges the Moldovan authorities to further improve the electoral legislation in order to ensure the effectiveness of the right to vote, the fairness of the electoral campaigns, the transparency of the legislative process and democratic oversight, so as to allow adequate public scrutiny of the government's and the parliament's activity; demands that the Moldovan authorities refrain from altering rules and regulations for political gain, which will always end in political unrest and instability affecting the commitment for structural reforms; with a view to future elections, underlines the importance of democratic legitimacy of the government, transparency in coalition building, respect for the will of the voters and the importance that a government majority reflects the vote of the people;
12. Calls on the Moldovan authorities to strengthen democratic mechanisms, including a multi-party parliamentary system, and to ensure free, independent and pluralistic media as well as a fair access to finance and media; in this context, demands that Moldovan authorities strengthen resilience against disinformation and information manipulation by domestic and foreign actors, online and offline and implement measures to address the even more urgent need to tackle vote buying, intimidation of election observers, electoral bribery and other corrupt practices, as well as the misuse of State resources, as those practices undermine and destroy all democratic efforts made by political actors of the Republic of Moldova;
13. Emphasizes the need for a strong and fair political rivalry among presidential candidates, which would not be possible without healthy and transparent system of party-financing and presidential campaign financing;

14. Urges the Moldovan government to put in place all necessary measures to ensure that the citizens of the Republic of Moldova living in the Transnistrian region as well as outside of the Republic of Moldova can participate in elections in an inclusive, transparent and fair way, free from foreign interference;

Reforms and institutional framework

15. Welcomes the reforms that led to the introduction of a visa-free regime with the Union; the program has been used extensively by the citizens of the Republic of Moldova and represents a very good example of how the implementation of the AA/DCFTA touches upon the lives of citizens by fostering people-to-people contacts with other fellow Europeans; calls on the Union and the Republic of Moldova to further improve people-to-people contacts and exchanges in order to build mutually positive images of each other among the populations;
16. Welcomes the fact that since 2014 more than 2,3 million Moldovan citizens have benefited from the visa-free regime and notes that according to the latest Commission report, the Republic of Moldova continues to meet the visa liberalisation requirements and that visa-free movement continues to bring positive economic, social and cultural benefits both to the Union and the Republic of Moldova; encourages both sides to uphold the free movement of people also during crises;
17. Acknowledges the efforts undertaken by the Moldovan authorities in implementing the recommendations outlined in the annual visa suspension mechanism reports; recommends the continuation of the implementation of the benchmarks related to the visa liberalisation policy and calls on the authorities to continue those efforts to satisfy the visa liberalisation benchmarks, in particular in the areas of anti-corruption, to strengthen the judiciary, to apply the anti-money laundering legislation and to take concrete action to address the increase of unfounded asylum applications; in this respect, is concerned about the rise of the number of Moldovan nationals found to be illegally staying in the Schengen+ area (47% rise) and about the rise in asylum applications (48% rise); urges Moldovan authorities to further implement the commitments made in the context of the liberalised visa regime for the Schengen area in the area of effective migration management and to ensure asylum rights for third-country applicants in the Republic of Moldova;
18. Welcomes the adoption by the Parliament of the Republic of Moldova of numerous legislative acts in line with the country's commitments enshrined in the AA, namely related to public administration, public financial management and justice system reforms; underlines the importance of a full implementation of these acts, including by adopting secondary legislation;
19. Welcomes the progress achieved on public financial management and calls on the Moldovan authorities to accelerate the implementation of other AA/DCFTA reforms based on an improvement of the rule of law;
20. Acknowledges the Republic of Moldova's essential steps to increase the performance of public administration; to this end, calls on the Moldovan government to ensure full implementation of the Public Administration Reform for 2016–2020 in line with the OECD/SIGMA principles of public administration; furthermore, encourages Moldovan authorities to increase transparency and combat widespread corruption in the public

administration as well as to establish a public administration national school;

21. Underscores that a more efficient and sustainable AA implementation stems from an impartial and professional administration of State institutions and agencies; in this regard, reiterates its concern regarding the lack of a constant commitment to improvements in the public sector, which discourages competent people from pursuing a career in public administration, and stresses the need for the development of a professional public administration and the encouragement of young people to take up a career in the public sector, so as to achieve a more transparent administration in which nepotism and favouritism do not lead to chronic politicisation;
22. Urges to start a more comprehensive decentralization reform as soon as possible, including the reform of the Republic of Moldova's administrative-territorial system, regional development and administrative decentralisation, with the possibility to generate local taxes; in this respect, underlines the need for more in-depth and broader cooperation between local authorities, for a reduced number of local administrations and additional measures to ensure their greater independence and decrease their operating costs; calls on the Moldovan authorities to uphold the principles of local democracy and local autonomy in accordance with the European Charter of local self-government by providing proper competencies and sufficient funding for the local governments and by assuring their effectiveness;
23. Is concerned by the high level of concentration and politicisation of the media and advertising sectors, leading to a low level of public confidence in the media; calls on the Moldovan authorities to continue the reform of the media sector with a stronger involvement of the civil society in the process in particular, calls on the Republic of Moldova to review the audio-visual code and liberalise the advertising market in line with European standards of media freedom and pluralism, as recommended by the Commission and the Venice Commission, so as to ensure full transparency of the ownership in the media and the advertising market;
24. Takes the view that strengthening media pluralism and its independence should be a priority for the Union and the Republic of Moldova in their partnership relations and that this should be reflected appropriately also in the financial allocations; calls on the Commission to increase support to the independent media, including in the regions; urges Moldovan authorities to refrain from exploiting the COVID-19 pandemic to adopt measures curtailing freedom of speech and limiting the media's ability to report the whole dimension of the impact of the Corona crisis on the society in an independent and unbiased way; expresses concern at the spreading of fake news and disinformation in the Republic of Moldova during the coronavirus crisis and points out the need for both the local authorities and the Union to develop specific programmes that promote media literacy, combat disinformation and support quality, fact-checked media content;
25. Urges the Moldovan authorities to foster free and independent media and, including by conducting an independent audit, to ensure the effectiveness of the Audio-visual Council as an independent regulator combating the ongoing intimidation of journalists, politicization and lack of transparency of public and regulatory institutions, the lack of public access to information and quality media content, as well as ensuring the transparency of media ownership;

26. Underlines that the Union is the biggest provider of aid to the Republic of Moldova; observes with great concern the continuous propaganda, disinformation campaigns and denigrating messages by governing politicians against the Union, which paint a distorted and unrealistic picture on public television and in the media; regrets such public attacks on the Union's aid and image as they undermine the implementation of the AA and EU- the Republic of Moldova relations; calls on the Moldovan authorities to end to the disinformation and anti-EU propaganda campaigns to which the citizens of the Republic of Moldova in general are exposed and to step up support in the fight against fake news, hybrid warfare in communication, targeted disinformation campaigns and the degradation of media programs; underlines that political involvement in mass media structurally undermines fundamental freedoms and access to information;
27. Deplores the progressive distancing from the European path of the current government in Chişinău, to the detriment of country's democratic aspirations and urges all pro-European political parties to find solutions through dialogue, in order to ensure the continuity of the European integration process of the Republic of Moldova and to fully benefit from all the advantages offered by the AA / DCFTA;
28. Calls on the Moldovan authorities to put more efforts in order to ensure that the AA/DCFTA opportunities and EU assistance and programmes reach the local level, including in the remote parts of the country, in particular rural areas, so as to enable inhabitants to push for positive changes in their communities, in particular those more vulnerable to post-Soviet sentiments and Russian manipulation;
29. Takes the view that the authorities should provide transparent information on the external assistance that they intend to seek and that financing from the Russian Federation should be discussed openly in Parliament and with experts and civil society, including as regards the geo-strategic conditionalities and the long term impact on the economy arising from this type of financing ; considers that, when it comes to conditionalities attached to EU financial assistance, the authorities should also provide the necessary explanations to the public; underlines that EU conditionalities are to be seen as opportunities to conduct the necessary reforms;
30. Highlights the need to fight Russian disinformation through fact-based and accessible quality information as well as through public campaigns aiming to increase public awareness; encourages the authorities of the Republic of Moldova to look for more in-depth collaboration with the Union and its Members States in order to enhance the implementation of good practices and solutions for countering disinformation, propaganda, manipulation and hostile influencing carried out by external forces aimed at dividing, destabilizing, and undermining the integrity of the internal political processes and the relations with the Union;
31. Acknowledges the progress in the adoption of the new law on non-commercial organisations by the Moldovan parliament, as part of the conditionality requirements to obtain the EU MFA; expects its swift and effective implementation will foster the full respect of the rights and freedoms of civil society and non-governmental organization as well as the freedom of association will be fully respected and calls for more support from the Moldovan government in the development of civil society; points out the central role NGOs play in any democratic society and expresses hope that the new legislation will improve the transparency of public decision-making and provide a

modernized framework for the functioning of civil society in the country; urges the Moldovan authorities to refrain from any pressure on NGOs and other civic actors; regrets the distrust and hostility with which political officials approach civil society in general; urges a more meaningful and active involvement of civil society in the policymaking and implementation processes, particularly as regards human rights and fundamental freedoms, with respect to which NGOs could act as a watchdog and hold the respective State institutions accountable; with that in mind, calls on the Commission and the Member States to provide political, technical and financial support to the civil society and urges EU Institutions to establish clear rules helping to avoid the provision of grants to “GONGO’s”(NGOs established and financed by governments through informal channels);

32. Calls on the Moldovan authorities to promote transparency in public decision-making and to ensure proper involvement and consultation of stakeholders and civil society at all stages, which will also increase public scrutiny and the social acceptability of the reforms conducted;
33. Welcomes the amendments to the electoral legislation adopted in August 2019, and the ruling of the Moldovan Constitutional Court of February 2020 on the territorial requirements for establishing political parties;
34. Points out that the COVID-19 crisis has brought to light the fact that the health system of the Republic of Moldova is underdeveloped and is struggling to cope with the recent surge in the number of cases; urges the Commission, Member States and the Republic of Moldova to increase cooperation on public health resilience, exchange best practices and work with the civil society, the business and SME communities on establishing epidemic strategies focusing on the most vulnerable groups in society; calls on the Moldovan government to strengthen the healthcare system, improve sanitation standards, especially in hospitals, as well as to provide its population with all relevant information about the pandemic in a transparent and inclusive manner;

Cooperation in the field of common foreign and security policy (CFSP) and progress on resolving the Transnistria conflict

35. Welcomes the Republic of Moldova participation in common security and defence policy (CSDP) missions and operations on cyber-security and cyber-crime investigations, as well as the Republic of Moldova’s cooperation with NATO and its alignment with EU's CFSP Declarations; calls on the EU institutions to include the Republic of Moldova in new formats of cooperation concerning cyber security, hybrid threats and cyber-crime investigations;
36. Recognizes the importance of the European Union's Border Assistance Mission to Moldova and Ukraine (EUBAM) in harmonising border management and customs regime to that of the Union, also with regard to the solution of the Transnistrian issue;
37. Acknowledges the Republic of Moldova's unique experience and expertise and the contribution that it can provide to the Union collective security and defence policy and encourages a deeper cooperation in EU-related defence policies, including participation in PESCO once the issue of involvement of third countries is clarified;
38. Reiterates the EU’s support for the sovereignty and territorial integrity of the Republic

of Moldova and for the efforts in the framework of the 5+2 negotiation process to reach a peaceful, lasting, comprehensive, political settlement of the Transnistrian conflict, based on the respect for the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders, with a special status for Transnistria, that would ensure the protection of human rights also on the territories currently not controlled by constitutional authorities; reminds that the UN General Assembly adopted on 22 June 2018 a resolution urging the Russian Federation to withdraw its troops and armaments unconditionally from the territory of the Republic of Moldova and reaffirming the support for the immediate implementation of that resolution;

39. Encourages the Moldovan Government to continue promoting an environment favourable to the settlement of conflicts and supporting activities that increase confidence and people-to-people contacts across conflict-divided communities;
40. Acknowledges the increased security interdependence between the Republic of Moldova and its Transnistria region and the stability of both as the main factor for prevention and resolution of security challenges such as hybrid threats, cyberattacks, election cyber-meddling, disinformation and propaganda campaigns, and third-party interference in the political, electoral, and other democratic processes;
41. Welcomes the Moldovan government's efforts to extend the benefits of the DCFTA and the visa-free regime to the Transnistrian region, which enabled significant growth in mobility and trade with the region as well as all activities that enhance the economic collaboration and increase the level of goods' and services' exchanges between the Republic of Moldova and Transnistria;
42. Considers that, by guaranteeing tariff-free access to EU markets for Transnistrian businesses registered on the west bank of the Dniester and submitted to customs checks by Moldovan officials, the DCFTA resulted in a massive swing in the direction of trade from the Eurasian Economic Union to the Union; encourages the Moldovan authorities to further advance towards trade and engagement with EU markets in order to enhance market access, transparency, good business practices and reduce the capacity for market manipulation and monopolization by oligarchs;
43. Underlines that any resolution to the Transnistrian issue must respect the Republic of Moldova's sovereign right to choose its own defence and foreign policy orientation;
44. Urges the authorities of the Republic of Moldova to consider the development and implementation of the package of laws regarding the fields of conflict prevention and crisis management that was part of NAPIAA in 2017-2019;

Rule of law and good governance

45. Is concerned by the slow course of reforms on the rule of law and democratic institutions; urges the government of the Republic of Moldova to complete judicial reforms without delay, so as to warrant the independence, impartiality and effectiveness of the judiciary and specialised anti-corruption institutions; in doing so, calls on the Moldovan government to ensure a transparent process of drafting of the amendments to the Moldovan Constitution concerning the Supreme Council of Magistrates (SCM), and of their subsequent adoption, using international precedents and good practices, in line

with the recommendations of the Venice Commission and in consultation with the Council of Europe and EU experts, civil society, and other interested actors; regrets that the amendments regarding the appointment of the SCM members have been rushed through Parliament; underlines the need to guarantee the independence of the SCM and calls on the Moldovan authorities to ensure a merit-based selection and promotion of judges;

46. Calls on the authorities to continue effective consultations in order to adopt a concept and action plan for the justice reform based on a comprehensive diagnostic, ensuring wide consensus from stakeholders and in strict adherence with the Moldovan Constitution and European standards;
47. Is concerned by the low level of trust in the integrity and effectiveness of the judiciary and by the susceptibility of the judicial branch to political pressure which hampers its independence; calls on the authorities of the Republic of Moldova to ensure transparency in the judicial appointment processes and that the Prosecutor General, his staff, and public prosecutors in general, work independently and abide by the highest standards of professionalism and integrity;
48. In this regard, points out that a lack of resources and a lack of knowledge about good governance, the rule of law and human rights is permeating and adversely affecting the effective functioning of the Moldovan administration and calls on the Commission to increase funding through the available budget support and technical assistance instruments, aimed at strengthening the justice and law enforcement authorities' capacity and efficiency, taking into account progress in the implementation of the reforms;
49. Urges the authorities of the Republic of Moldova to strengthen the complete independence of the Constitutional Court and to ensure that it is not subject to any form of political interference; firmly rejects any attempt of intimidation or pressure on the judges of the Constitutional Court and condemns the enormous pressure, blackmailing and harassment the Court's judges went through before delivering the decision on the Russian loan; deeply regrets the attempts to politicize the Constitutional Court and the inactivity of prosecutors and of the anti-corruption centre in defending the independence of the Constitutional Court;
50. Is concerned by the persistent long-term trend of lacking progress on corruption in the Republic of Moldova, and therefore urges the Government to step up the fight against corruption and state capture, as well as money laundering, smuggling and organised crime, including human trafficking; calls on the government of the Republic of Moldova to adopt concrete measures to reinforce the independence, integrity and effectiveness of the National Anticorruption Centre's Office and the Anti-Corruption Prosecutor's Office, as well as to ensure the de-politicization of public anti-corruption institutions and law enforcement agencies; points out the need for sustained and consistent efforts to prevent and prosecute high-level corruption and organized crime; takes the view that this is the only way to re-establish the trust of the Moldovan citizens and ensure the enactment of lasting reforms in the Republic of Moldova; calls on the Commission to provide much more consistent support to civil society organisations monitoring fraud and money laundering activities;

51. Urges the authorities to step up efforts to fight organized crime and dismantle criminal schemes;
52. Welcomes the adoption of the law on Anti-Money Laundering sanctions on 21 May 2020 and calls for the swift elaboration of guidelines on the application of the new legislation, as well as for specialized training for the concerned authorities; calls on all interested parties to maintain consistent efforts in combating smuggling, money laundering, dismantling criminal networks and reducing the influence of oligarchs; calls for an enhanced cooperation with Europol, Interpol, and customs organizations such as WCO and OECD's Anti-corruption Networks;
53. Notes with concern the conclusions of the Commission's and EEAS' 2019 Association Implementation Report on Moldova according to which the establishment of instruments and bodies that aim to prevent fraud and money laundering has been slow; expects the new Government to build upon the recent steps taken by the previous government as regards fighting corruption and unravelling criminal and money-laundering schemes;
54. Notes the action undertaken in order to pursue the prosecution of the massive banking fraud exposed in 2014 and other money laundering cases; however, reiterates its concern at the persistent failure to bring transparent prosecution of all those responsible for the bank fraud exposed in 2014, as well as at the slow recovery of stolen assets; reiterates its concern that no substantial recovery of assets has been made so far and stresses that further steps need to be taken in this direction; calls on the Moldovan authorities to speed up the prosecution process, bring all those responsible to justice without further delay and to recover misappropriated funds; invites the Member States to offer the Republic of Moldova's authorities substantial support in the investigation of the case if there will be any requests for it;
55. Welcomes the adoption, on the 18th of June 2020, of the new law to abolish the Citizenship for Investment Programme as of 1 September 2020, at the end of the existing moratorium; takes the view that this is an essential move in order to reduce the risks of corruption, tax evasion and money laundering in the Republic of Moldova; notes that until the programme is cancelled only existing applications will continue to be processed and calls on the Commission to monitor carefully how this will be done;
56. Urges the authorities of the Republic of Moldova to increase transparency on the funding of political parties, and to investigate all irregularities in a fair and unbiased way; stresses the need to fight corruption inside the Moldovan political class; is deeply concerned by recent allegations of buying off of Members of the Parliament in order to change political affiliation, as well as allegations of kidnapping, intimidation and pressure on elected representatives; points out that these allegations must be investigated and that such behaviour is incompatible with the values which are at the core of the AA with the Republic of Moldova; draws attention also to the responsibility of political parties to fight corruption within their own ranks; in addition, calls on the authorities to ensure that no funds of charitable foundations are used in the electoral campaigning; urges the authorities to forbid the use of the administrative funds in favour of the governing political class during the election campaign;

Human rights and fundamental freedoms

57. Acknowledges the improvement of the legislation on the protection of human rights, notably as a result of the new 2018-2022 Human Rights Action Plan; calls on the Moldovan authorities to significantly increase efforts and adopt implementation measures and secondary legislation so as to uphold those rights and fundamental freedoms, including in particular for minorities and vulnerable groups, such as women and children being misused by human traffickers, linguistic minorities, people with disabilities, Roma and LGBT+ persons, thus recognizing the respect for human rights as a critical criterion and a vital condition for a democratic society; is concerned that significant human rights problems remain unresolved and unpunished, such as pressure and politically motivated prosecutions and detentions, torture, arbitrary detention, harsh and life-threatening prison conditions, arbitrary or unlawful interference with privacy, use of forced or compulsory child labour;
58. Expresses deep concern at the situation of Moldovans stranded in EU Member States due to the COVID-19 crisis without social protection; calls on the Commission and the Member States to ensure, in the context of COVID-19, the equal treatment of third-country seasonal workers with EU nationals, as stated in Directive 2014/36/EU, recalling that such workers have the same labour and social rights as EU citizens; calls on the Member States to ensure quality housing for cross-border and seasonal workers, which should be decoupled from their remuneration, and ensure decent facilities, tenant privacy and written tenancy contracts enforced by labour inspectorates, and to establish standards in this regard;
59. Notes with concern that the implementation of the commitments stemming from the association agreement in the social sphere, especially in the fields of labour inspection, anti-discrimination measures, and social dialogue, is limited; is concerned that the progress in addressing macro-financial vulnerabilities remains insufficient to significantly boost living standards and is now endangered by the consequences of the COVID-19 crisis; insists on the mandatory involvement of trade unions, as well as civil society organizations, in the implementation of the Association Agreements;
60. Underlines that the Union must hold the Republic of Moldova accountable for its commitments with regards to the social dimension of the AA; calls on the Commission to provide a detailed annual progress reports on the implementation of social and labour-related issues of the Association Agreement which does not only analyses the transposition of relevant Union directives and norms, but also their actual implementation; calls on the Commission to embrace proposals of labour experts to introduce a mechanism to sanction the violations of the standards agreed upon; suggest to use the disbursement of MFA as a leverage or conditionality to force the Republic of Moldova to enhance the labour conditions of their workforce;
61. Expresses its concern regarding respect for human rights in the Transnistrian region, especially against the background of the COVID-19 pandemic;
62. Calls on the Commission to upgrade neglected areas of AAs, which include important policy areas such as gender, the European Green Deal and the prevention of health crises;
63. Underlines that gender equality is a key precondition for sustainable and inclusive development; urges the Moldovan government and authorities to implement measures

to further improve women's representation and equal treatment at all levels of political and societal life; requests the Commission to mainstream gender equality in all its policies, programmes and activities in relation to the Republic of Moldova and encourages the authorities of the Republic of Moldova to promote programs that include consistent gender equality dimension, offer more support to the most disadvantaged and vulnerable groups in society, implement legislation to fight hate speech and physical violence perpetrated against the more vulnerable groups;

64. Urges the Moldovan authorities to ratify the Istanbul Convention, which was signed by the Republic of Moldova on 6 February 2017, but whose ratification is lagging behind despite being mentioned as an explicit objective of the National Action Plan on Human Rights 2018-2022 and of the National Strategy on Preventing and Combating Violence against Women and Domestic Violence 2018-2023; recalls that violence against women and girls is prevalent in the Republic of Moldova and two in five women have experienced physical and/or sexual violence at the hands of a partner or non-partner since the age of 15;
65. Calls for further steps in implementing the national legislation for preventing and combatting trafficking in human beings and for a substantial increase in the quality of services provided to victims as well as for more protection, assistance, and support of victims of crime, especially children, during investigations and after the judicial process; in addition, calls for more support during the social reintegration of the victims; calls for increased cooperation between the judicial authorities and the enforcement agencies of the Republic of Moldova and the Member States, in order to reduce cross-border crime, particularly human trafficking and trafficking in illegal drugs;
66. Calls on the authorities to guarantee the right to a fair trial and the respect of human rights in detention and correctional facilities, including by addressing inadequate healthcare provisions; in this regard, stresses the need to provide a safe environment for prisoners; additionally, calls for measures to avoid selective and politically motivated justice;
67. Reiterates its call to the Moldovan authorities to ensure that any extradition requests coming from third countries are processed in a transparent manner while following judicial procedures fully in line with European principles and standards;
68. Calls for more concrete measures to improve detention conditions and to eliminate the detention of people with disabilities in psychiatric hospitals against their will; calls for the complete elimination of torture and ill-treatment in prisons as a method of pressure on imprisoned or detained political opponents;
69. Acknowledges the measures taken at national level to prevent and fight torture, but underlines that the Republic of Moldova continues to be condemned frequently at the European Court of Human Rights for torture and ill-treatment; urges therefore the establishment of a fully independent agency specifically for the investigation of allegations of torture and other human rights violations committed by police and other law enforcement officers;
70. Is concerned by the continued the presence in the public debate of instances of hate speech, originating also from politicians as well as by religious and community leaders;

underlines in this regard that women and LGBTI+ people in particular have been targeted; calls on public officials to refrain from engaging in hate speech and to publicly disavow hate speech whenever it occurs and on the authorities to fine-tune the legal and institutional framework to combat hate speech in order to counter the phenomenon with all available mechanisms;

71. Reminds that a draft bill establishing Magnitsky-type legislation has already been introduced in the Moldovan Parliament; encourages the legislative body to move forward with the examination of the law which would, if adopted, contribute to fighting human rights abuses, corruption and money-laundering;

Trade and economic cooperation

72. Is of the opinion that the EU assistance to the Republic of Moldova should continue to prioritize improving the living standards of the citizens, targeting areas such as facilitating the development of SMEs, helping the youth, as well as the general reform of the education and health sectors;
73. Welcomes entrepreneurial initiatives that aim to develop the Moldovan start-up scene; recognises, however, that further public sector reforms and financial assistance are needed in order to create additional employment opportunities that will entice young people and skilled workers to return to their country of origin;
74. Calls on the Commission to contribute to addressing the economic challenges faced by young people in the Republic of Moldova by investing in programmes favouring youth and social entrepreneurship and to strengthen the connection between the education system's reform and labour market demands; stresses the need to invest in programmes which aim at young people coming from rural areas, since this category is one of the most vulnerable and lacks socio-economic opportunities, compared to young people from urban areas;
75. Acknowledges that the "brain drain phenomenon", that is often caused by the lack of trust in judiciary, nepotism and lack of proper reforms in the country, represents a serious threat to Moldovan future and is concerned by the large-scale emigration of Moldovan citizens, which accentuates negative demographic trends; encourages the Moldovan government to implement further measures to prevent and counter such a phenomenon, in particular by creating opportunities and improving conditions and wages for young workers in their home country, so that they can return home after studying or training abroad, and by supporting youth entrepreneurship; calls on the Commission to focus on this issue in its programmes;
76. Welcomes the diversification of the Moldovan economy and the significant increase in trade between the Republic of Moldova and the Union, as well as the fact that the Union is the largest investor in the country; welcomes the fact that, in 2018, the Union accounted for 70% of the Republic of Moldova's total exports and 56% of its total trade; encourages further progress in areas such as the customs code, the protection of intellectual property rights including geographical indications, the improvement of sanitary and phytosanitary standards, the improvement of market conditions in the field of energy, public procurement, and access to finance for SMEs;
77. Encourages the full implementation of the DCFTA in order to further increase the EU –

Republic of Moldova bilateral trade and investment relationship, including by removing non-tariff barriers to trade, facilitating access to the single market and making progress when it comes to integrating into it; recalls that the DCFTA with the Republic of Moldova must respect the rules set out in the sustainable development chapters, in line with international commitments, in particular the Paris Agreement, and WTO rules;

78. Commends the adoption by the Moldovan Parliament of the European LEADER approach as the basis for its national rural policy; however, encourages the Republic of Moldova, including through dedicated measures in the next National Strategy for Agriculture and Rural Development, to make full use of preferential export opportunities into the Union through more efficient and sustainable cultivation of farmlands, as well as more democratic access and use of land, thus generating agricultural products that would amplify the Republic of Moldova's relative agricultural advantages;
79. Welcomes the regulatory approximation with the EU acquis, and encourages the Commission to provide to the Moldovan institutions and public administration technical and financial help for this endeavour and the subsequent implementation; stresses that such aid should be used to increase knowledge of human rights and the rule of law and calls on the Moldovan authorities to progress more rapidly on approximation to the AA/DCFTA, including on animal health and food safety standards;
80. Welcomes the National Strategy 'Digital Moldova 2020', but demands the Commission to support and assist programmes and reforms concerning media and information literacy to reflect the current digital age, as well as to upgrade sectoral cooperation in the digital economy; calls on the Republic of Moldova to build a reliable digital market economy, enhancing the need for progress in open data, expanding the admittance to digital systems and increasing the access for citizens at electronic services and different communications solutions;
81. Calls on the Commission to support investment in sectors with potential for development, growth and competitiveness in the EU, notably in the three sectors of strategic significance (i.e. sustainable energy and climate, the digital single market and cyber security, and transport);
82. Calls on the Moldovan government to also focus on the social dimension of trade and sustainable development by respecting and enforcing labour standards, ratifying and fully implementing all ILO conventions, and eliminating remaining deficiencies in the labour inspection system as well as by addressing the limitations and shortcomings of the labour inspection system and the problems of the judiciary system, which have a negative impact on the enforcement of labour standards;
83. Calls on the Moldovan authorities to adopt and implement policies aimed at regulating the participation of the entities from jurisdictions that do not implement international transparency standards (offshore jurisdictions) or the businesses that are directly or indirectly controlled by such companies from trading with public authorities (public procurement, privatization, concession, and public-private partnership);
84. Calls on the EU to consider the possibility for countries having an AA/DCFTA with the EU to accede to the Single Euro Payments Area (SEPA), since it would be beneficial for citizens and provide new opportunities for SMEs to develop;

Energy, environment and climate change

85. Calls on the Moldovan Government to further reform the energy sector in order to increase resilience, transparency in costs and contracts in the sector, and to improve energy independence and efficiency, particularly by increasing energy interconnections with the Union, diversifying energy sources, including renewable energy, and reducing dependence on fossil fuels; stresses that all these aspects are of paramount importance for enhancing the country's energy security;
86. Welcomes actions to strengthen the institutional capacity and the independence of the energy regulator and encourages the necessary and urgent actions to be taken for the implementation of the Third Energy Package, in particular in the field of natural gas, and to ensure full compliance with the Energy Community acquis; in particular, calls on the National Agency for Energy Regulations of the Republic of Moldova to approve energy market rules based on fair competition and ensure compliance by all market participants, including State-owned traders;
87. Stresses the importance to increase infrastructure cooperation in the region, also with a view to diversifying the Republic of Moldova's energy supplies, and to improve the connectivity of the Republic of Moldova's energy sector while ensuring environmental sustainability;
88. Underlines the importance of the diversification of the Republic of Moldova's electricity system; urges the Moldovan authorities to ensure the timely implementation of the project for interconnection of the Republic of Moldova-Romania electricity systems by providing the necessary support and resources;
89. Encourages the Moldovan authorities to continue the efforts to reinforce the energy security of the country and commends the finalisation of the Ungheni – Chişinău gas pipeline by the end of 2020; furthermore, invites the Commission to include the Republic of Moldova in the stress tests conducted for the internal energy market;
90. Commends the arrangements agreed between the Republic of Moldova, Ukraine and Romania in December 2019 to enable gas transfers to Ukraine and the Republic of Moldova via the Trans-Balkan pipeline, and the February 2020 Action Plan to ensure the independence of the transmission system operator Moldovatransgaz;
91. Welcomes the steps undertaken to asynchronously interconnect the electricity system of the Republic of Moldova with the EU via Romania, being a significant milestone on the way to strengthening and diversifying the Republic of Moldova's energy infrastructure. Calls on all the authorities to fulfil the objective of connecting the Republic of Moldova with Romania's power grid by 2024, with the support of the EU;
92. Welcomes the February 2019 package on climate and the environment of the Republic of Moldova and its national response, which made it the fourth country in the world to submit its updated National Determined Contribution (NDC2), including an increased ambition to reduce GHG emissions, to the Secretariat of the UN Framework Convention on Climate Change (UNFCCC); calls for increased efforts on the national commitments related to the 2015 Paris Agreement to fight climate change, as well as for implementation of climate change mainstreaming in all areas of policy-making;

93. Calls on the Republic of Moldova to further enhance its engagement in the fight against climate change, in particular waste management, and management of water from the Nistru river, as well as on the Commission to facilitate the Republic of Moldova's participation in the European Green Deal and to ensure that the DCFTA does not contradict the environmental objectives and initiatives laid down therein;
94. Acknowledges the importance of a further modernization of the education system in the Republic of Moldova, as well as the growing role of youth in all life sectors, and invite EU to offer further support, especially in the area of vocational education and training (VET), in order to meet labour market needs; Stresses the need to promote opportunities in volunteering and civic engagement for young people and to invest more in young people by expanding funding for and increasing the participation of Moldovan representatives in the existing mobility programmes, such as Erasmus+, Creative Europe and Horizon 2020;
95. Encourages the Commission to perform a consultation, prepare and create tailored programs for citizens including a direct contact with beneficiaries through the on-line platform for applying and reporting the use of the funds made available by those programs; calls in this regard to consider the Green Deal purposes, as well as the day-to-day needs of citizens in the Republic of Moldova;

Institutional provisions

96. Stresses that without the sincere determination of the political class to reform the country and to genuinely implement the AA with the Union, no true and lasting development could be reached; in this regard, encourages all political actors and political forces in the country to contribute and initiate multi-party formats and collaboration in good faith on the Republic of Moldova's strategic goals thus contributing to the quality of democracy and to the improvement of life conditions of people; with that in mind, encourages the Moldovan authorities to make use of a Jean Monnet Dialogue to support inter-party dialogue and parliamentary capacity building;
 97. Calls for all EU institutions and the Member States, in close cooperation with the authorities of the Republic of Moldova, to better communicate the benefits of the AA/DCFTA and the EU assistance to the citizens of the Republic of Moldova;
 98. Calls on the Commission to strengthen the Delegation of the European Union to the Republic of Moldova, reinforce monitoring and strengthen the project team in Chişinău, so as to help the Republic of Moldova effectively communicate its approximation to EU law, fight against disinformation and promote positive images of the EU and the Republic of Moldova to all parties concerned;
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99. Instructs its President to forward this resolution to the Council, the European Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, and to the President, Government and Parliament of the Republic of Moldova.

4.9.2020

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Foreign Affairs

on the annual implementing report on the EU association agreement with Moldova (2019/2201(INI))

Rapporteur for opinion: Markéta Gregorová

SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the positive results achieved in trade and economy with the implementation of the Deep and Comprehensive Free Trade Area (DCFTA), allowing for the reorientation of the Republic of Moldova's (hereinafter 'Moldova') trade and a marked increase in trade with the EU, accounting for 54 % of its total trade in 2019; notes, in this regard, that the EU is Moldova's largest trading partner and is also the biggest investor in the country; notes, further, that the implementation of DCFTA has been beneficial for both parties, particularly for the agricultural and food sectors;
2. Calls on the Moldovan authorities to consider regulatory approximation with the EU acquis and the appropriate implementation and enforcement of relevant legislation; and to continue progress and implement reforms, as the implementation of the DCFTA is an important opportunity for growth for the Moldovan economy and for the development of business in Moldova, including the continuing extension of the DCFTA and its benefits for the Transnistrian region, with a particular reference to the introduction of VAT and support for SMEs, which are the largest sector of the Moldovan economy;
3. Calls on the Commission and the Member States to support Moldova's strategic goal of further unlocking the real potential offered by free trade with the EU, removing non-tariff barriers to trade, facilitating access and making progress when it comes to integrating into the single market;
4. Welcomes the disbursement of the second instalment of the Macro-Financial Assistance (MFA) to Moldova and acknowledges the efforts made by Moldova to fulfil the relevant conditionalities; expresses its support to the conclusion of the Memorandum of Understanding (MoU) on a new exceptional EU MFA programme aimed at countering the negative economic impact of the COVID-19 pandemic and looks forward to the implementation of the underlying commitments; recalls the importance of the MFA

conditionalities, namely the provision of assistance on the basis of real democratic reforms, which would fulfil criteria and lead to acquis approximation, and recalls the need for the ‘more for more’ incentive; expresses regret, in this regard, over Moldova’s unsatisfactory level of compliance with EU requirements, especially as regards its justice sector, energy reform and the customs code, which resulted in the Commission’s decision to cancel the third tranche of MFA to the Republic of Moldova; expresses concern over the fact that progress in the investigation of the 2014 bank fraud and the related asset recovery is still limited; calls on the Commission to provide assistance to the Moldovan authorities in investigating this case, if needed, and to seek out independent expertise and cooperate with Moldova’s civil society in order to fully assess the progress made;

5. Welcomes the finalisation and adoption of the new Moldovan customs code, which will contribute to better investment and competitive business climate; calls for greater and more committed efforts to good governance and the approximation its rule of law standards, in particular those aiming at strengthening an independent judiciary; recalls that the independent and depolarised media without political interferences constitute the basis of a democratic society;
6. Stresses the need for reforms that aim to improve transparency, including in trade-related policies and encourages Moldova to continue making progress in the area of public procurement to ensure modernisation and to fight against corruption; recalls the need for the EU and Moldova to consistently support civil society organisations that monitor fraud and money laundering activities, since they play an important role in independent regulatory mechanisms;
7. Calls on Moldova to fully observe the environmental objectives and initiatives set out in the DCFTA, and its international commitments to sustainable trade and development, in particular the Paris Agreement; welcomes Moldova’s February 2019 package on climate and the environment and its national response, which made it the fourth country in the world to submit its updated National Determined Contribution (NDC2), including an increased ambition to reduce GHG emissions, to the Secretariat of the UN Framework Convention on Climate Change (UNFCCC);
8. Calls on the Commission to support investment in sectors with potential for development, growth and competitiveness in the EU, notably in the three sectors of strategic significance (i.e. sustainable energy and climate, the digital single market and cyber security, and transport);
9. Underlines the importance of the progressive implementation of EU sanitary and phytosanitary standards, including animal health and food safety;
10. Calls on the Moldovan Government to focus on the social dimension of trade and sustainable development by addressing the limitations and shortcomings of the labour inspection system and the problems of the judiciary system, which have a negative impact on the enforcement of labour standards;
11. Calls on the Commission to support youth programmes favouring social entrepreneurship and to focus on youth from rural areas in order to strengthen education systems and to ensure that they meet labour market demands, so as to protect the most vulnerable and ensure adequate socio-economic opportunities;

12. Calls on the EU to consider possibility of Association Agreement (AA)/DCFTA countries acceding to the Single Euro Payments Area (SEPA), since it will be beneficial for citizens and provide new opportunities for SMEs to develop;
13. Calls on the Commission to upgrade neglected areas of AAs, which include important policy areas such as gender, the European Green Deal and the prevention of health crises;
14. Calls on the Commission to strengthen the Delegation of the European Union to the Republic of Moldova, reinforce monitoring and strengthen the project team in Chisinau, so as to help Moldova effectively communicate its approximation to EU law, fight against disinformation and promote positive images of the EU and Moldova to all parties concerned;
15. Calls for continued improvements when it comes to connectivity facilitating e-commerce and digital trade and welcomes the national strategy 'Digital Moldova 2020' and recognises Moldova's efforts to build a genuine digital market economy; calls on the Commission and Moldova to support and assist programmes and reforms aimed at upgrading sectoral cooperation in the digital economy.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	3.9.2020
Result of final vote	+: 37 -: 3 0: 2
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Anna Cavazzini, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Győri, Roman Haider, Heidi Hautala, Danuta Maria Hübner, Herve Juvín, Karin Karlsbro, Maximilian Krah, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Emmanuel Maurel, Maxette Pirbakas, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

37	+
ECR	Geert Bourgeois, Emmanouil Fragkos, Dominik Tarczynski, Jan Zahradil
GUE/NGL	Emmanuel Maurel, Helmut Scholz
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Enikő Győri, Danuta Maria Hübner, Gabriel Mato, Massimiliano Salini, Sven Simon, Jörgen Warborn, Iuliu Winkler
RENEW	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez Piñero, Mihai Tudose, Kathleen Van Brempt
VERTS/ALE	Saskia Bricmont, Anna Cavazzini, Markéta Gregorova, Heidi Hautala

3	-
ID	Herve Juvin, , Danilo Oscar Lancini, Maxette Pirbakas

2	0
ID	Roman Haider, Maximilian Krah

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	21.9.2020
Result of final vote	+: 56 -: 2 0: 10
Members present for the final vote	Alviina Alametsä, Alexander Alexandrov Yordanov, Maria Arena, Petras Auštrevičius, Traian Băsescu, Anna Bonfrisco, Reinhard Bütikofer, Fabio Massimo Castaldo, Włodzimierz Cimoszewicz, Katalin Cseh, Tanja Fajon, Anna Fotyga, Michael Gahler, Kinga Gál, Sunčana Glavak, Raphaël Glucksmann, Klemen Grošelj, Bernard Guetta, Márton Gyöngyösi, Sandra Kalniete, Dietmar Köster, Andrius Kubilius, Ilhan Kyuchyuk, David Lega, Miriam Lexmann, Nathalie Loiseau, Antonio López-Istúriz White, Lukas Mandl, Thierry Mariani, David McAllister, Vangelis Meimarakis, Sven Mikser, Francisco José Millán Mon, Javier Nart, Gheorghe-Vlad Nistor, Urmas Paet, Demetris Papadakis, Kostas Papadakis, Tonino Picula, Manu Pineda, Kati Piri, Giuliano Pisapia, Jérôme Rivière, María Soraya Rodríguez Ramos, Nacho Sánchez Amor, Isabel Santos, Andreas Schieder, Radosław Sikorski, Jordi Solé, Sergei Stanishev, Tineke Strik, Hermann Tertsch, Harald Vilimsky, Idoia Villanueva Ruiz, Viola Von Cramon-Taubadel, Thomas Waitz, Charlie Weimers, Isabel Wiseler-Lima, Salima Yenbou, Željana Zovko
Substitutes present for the final vote	Özlem Demirel, Angel Dzhabazki, Assita Kanko, Arba Kokalari, Dragoş Tudorache, Mick Wallace, Elena Yoncheva, Marco Zanni

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

56	+
EPP	Alexander Alexandrov Yordanov, Traian Băsescu, Michael Gahler, Kinga Gál, Sunčana Glavak, Sandra Kalniete, Andrius Kubilius, David Lega, Miriam Lexmann, Antonio López-Istúriz White, David McAllister, Lukas Mandl, Vangelis Meimarakis, Francisco José Millán Mon, Gheorghe-Vlad Nistor, Radosław Sikorski, Isabel Wiseler-Lima, Željana Zovko, Arba Kokalari
S&D	Maria Arena, Włodzimierz Cimoszewicz, Tanja Fajon, Raphaël Glucksmann, Sven Mikser, Demetris Papadakis, Tonino Picula, Kati Piri, Giuliano Pisapia, Nacho Sánchez Amor, Isabel Santos, Andreas Schieder, Sergei Stanishev, Elena Yoncheva
RENEW	Petras Auštrevičius, Katalin Cseh, Klemen Grošelj, Bernard Guetta, Ilhan Kyuchyuk, Nathalie Loiseau, Javier Nart, Urmaz Paet, María Soraya Rodríguez Ramos, Dragoş Tudorache
GREENS	Alviina Alametsä, Reinhard Bütikofer, Jordi Solé, Tineke Strik, Viola Von Cramon-Taubadel, Thomas Waitz, Salima Yenbou
ECR	Anna Fotyga, Hermann Tertsch, Angel Dzhambazki, Assita Kanko
NI	Fabio Massimo Castaldo, Márton Gyöngyösi

2	-
ID	Harald Vilimsky
NI	Kostas Papadakis

10	0
S&D	Dietmar Köster
ID	Anna Bonfrisco, Marco Zanni, Thierry Mariani, Jérôme Rivière
ECR	Charlie Weimers
GUE	Manu Pineda, Idoia Villanueva Ruiz, Özlem Demirel, Mick Wallace

Key to symbols:

+ : in favour

- : against

0 : abstention