

Establishing the Reform and Growth Facility for Moldova

2024/0258(COD) - 31/01/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Foreign Affairs and the Committee on Budgets jointly adopted the report by Sven MIKSER (S&D, EE) and Siegfried MUREAN (EPP, RO) on the proposal for a regulation of the European Parliament and of the Council on establishing the Reform and Growth Facility for the Republic of Moldova.

The committees responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

The proposed Regulation establishes the Reform and Growth Facility for Moldova for 2025-2027, aiming to support Moldova's Growth Plan. Key investment areas include connectivity, infrastructure, sustainable transport, decarbonisation, energy, green and digital transitions, agriculture, education, labour market participation, and skills development, focusing on children, youth, and raising living standards. The Facility builds on Moldova's Association Agenda and the Economic and Investment Plan for the Eastern Partnership, focusing on sectors like connectivity, energy security, business development, and integration into the EU single market.

Implementation

The Facility should be supported with resources from the Neighbourhood, Development and International Cooperation Instrument – Global Europe amounting to EUR 420 million and a maximum amount of EUR 1 500 million in loans for the period from 2025-2027. The amount should cover the **9%** provisioning required for the loans corresponding to **EUR 135 million**, support provided by the Union for projects approved under the NIP and complementary support, including support to civil society organisations and technical assistance.

In order to maximise EU financial support, **the 9 % provisioning required for the loans corresponding to EUR 135 million should be covered from the NDICI- Global Europe Emerging challenges and priorities cushion**. In addition, Moldova should remain eligible for NDICI regional, thematic and rapid response programmes as well as humanitarian aid.

Member States, third countries, international organisations, international financial institutions or other sources may provide additional financial contributions to the Facility.

Specific objectives

The specific objectives of the Facility should *inter alia* be to:

- build a functioning market economy capable of coping with competitive pressure and market forces within the Union, strengthen the fight against fraud and all forms of corruption, including high-level corruption, **oligarchic influence and nepotism**;
- reinforce territorial integrity;

- fight disinformation, **hybrid threats, cyberattacks and Foreign Information Manipulation and Interference**, in particular by Russia, against Moldova's sovereignty, democratic processes and institutions, as well as against the Union and its values;
- accelerate the transition of Moldova to sustainable, climate-neutral and inclusive economy, that is capable of withstanding competitive market pressures of the Union single market, and to a stable investment environment and reduce its **strategic dependency** by diversifying energy sources and by constructing **new electricity interconnections** with neighbouring countries in order to achieve **energy security**;
- support communication activities to improve Moldovan citizens' awareness of the positive impact of Union accession and understanding of the required reforms.

Exceptional bridge financing

The report stressed that if the Facility Agreement is not signed or the Reform Agenda is not adopted by 1 May 2025, the Commission may decide to provide limited, exceptional support to Moldova in the form of loans for a period of up to 4 months starting from the date of entry into force of the Regulation, subject to satisfactory progress on the preparation of the Reform Agenda, subject to conditions to be agreed in a Memorandum of Understanding (MoU) between the Commission and Moldova.

The MoU shall in particular establish policy conditions, indicative financial planning and the reporting requirements, proportionate to the duration of the financing. The policy conditions should include a commitment to the principles of sound financial management with a focus on **anti-corruption and anti-money laundering**.

The amount of exceptional support should not exceed EUR 50 million.

Parliamentary oversight and scrutiny over the Facility

The Commission is required to report to the competent committees of the European Parliament on the progress of the Facility and the Reform Agenda. The report should include:

- progress on the Facility's implementation, particularly the Reform Agenda, related investments, reforms, and the Facility Agreement;
- an assessment of the Reform Agenda, including any amendments;
- information on payment, withholding and reduction procedures, and any observations to ensure satisfactory fulfilment of conditions;
- details on withheld or suspended payments and any remedial measures taken to meet payment conditions;
- any other relevant elements regarding the Facility's implementation.

Additionally, the Commission and European Parliament will engage in a regular dialogue at least once a year, in addition to ad-hoc meetings in response to sudden developments in Moldova.