

EUROPEAN NEIGHBOURHOOD INSTRUMENT

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE REPUBLIC OF MOLDOVA
AND
THE EUROPEAN UNION
REGARDING THE SINGLE SUPPORT FRAMEWORK
FOR EU SUPPORT TO THE REPUBLIC OF MOLDOVA
(2014-2017)**

1. Cooperation framework between the European Union and the Republic of Moldova

The European Neighbourhood Instrument (ENI) adopted in March 2014¹ has as its main aim to promote an area of shared prosperity and good neighbourliness by developing a special relationship founded on cooperation, peace and security and a shared commitment to the universal values of democracy, the rule of law and respect for human rights. It recognizes that European Union (EU) support under the ENI should focus on promoting enhanced political cooperation, deep and sustainable democracy, progressive economic integration, and inclusive and sustainable development

The main objective of technical and financial cooperation between the EU and the Republic of Moldova in the period 2014-17 will be to support the achievement of commitments and policy objectives defined in the EU-Republic of Moldova Association Agreement (including the creation of a Deep and Comprehensive Free Trade Area), in the related EU-Republic of Moldova Association Agenda and in other existing and future agreements concluded within the framework of the Eastern Partnership.

In particular, EU assistance over the period covered by the Single Support Framework (SSF) will aim to support the Republic of Moldova's ambitious reform agenda to consolidate the rule of law, promote the diversification of its economy and bring itself closer to the EU.

The Moldovan Government's programme "European Integration: Freedom, Democracy, Welfare 2011-2014", and the National Development Strategy ("Moldova 2020"), are the main strategic documents providing the overall priority-setting and development framework of the country.

The present Memorandum reflects the political commitment of the European Union and the Republic of Moldova to the indicative assistance priorities and the indicative financial envelope for the period 2014-17 as outlined in Sections 2 and 3 of the Single Support Framework 2014-17 for the Republic of Moldova.

It acknowledges that the Single Support Framework is a document of the European Union. The Republic of Moldova concurs with the sections related to the priorities for the period 2014-17.

2. Indicative assistance priorities for the period 2014-17

EU assistance to the Republic of Moldova for the period 2014-17 will focus on a limited number of sectors selected among the implementation priorities outlined in the EU-Republic of Moldova Association Agenda – which itself is not a programming document – and in the Moldovan Government's agenda, where the added value of EU engagement has been clearly identified.

The three priority areas for assistance for the period 2014-17 and the related specific objectives are:

Priority Area 1: Public administration reform

- To support the modernisation of the central and local public administration through the introduction of a result-oriented management approach;
- To strengthen the transparency, oversight and accountability of public finance policy and management;

¹ Regulation (EU) No 232/2014

- To strengthen the structures and processes of national, regional and local governance through the decentralisation of powers, with particular reference to the need to develop an effective system of multi-level governance based on a clear division of responsibilities;
- To support the development of the policy, legal and institutional framework for effective policy making and implementation of development policies for Moldova's regions, including regions with special status, with a view to ensuring a balanced territorial development across the country.

Priority Area 2: Agriculture and rural development

- To support the development of the policy, legal and institutional framework for an effective development policy for agriculture and rural areas, including regions with special status in a way that they contribute to sustainable development, adaptation to climate change and the country's transformation towards a green economy;
- To increase the competitiveness of the agri-food sector through modernisation, market integration and alignment with international standards;
- To support the diversification of economic activity in rural areas giving due attention to the creation of green and decent jobs, observing in particular agrobiodiversity conservation and the protection of valuable areas;
- To strengthen the social and technical infrastructure in rural areas, including in relation with water supply and sanitation, through the effective implementation of development projects, based on coherent development plans;
- To improve the conditions for living and working in rural areas through the introduction of active employment initiatives and the development of micro, small and medium-sized enterprises;
- To ensure the sustainable utilisation of natural resources in rural areas and in the agri-food sector;
- Via local development projects, to contribute to defusing tensions in the Transnistrian region, thereby facilitating the peaceful settlement of the Transnistria conflict, and to the economic integration of regions with special status.

Priority Area 3: Police reform and border management

- To strengthen accountability, efficiency, transparency and professionalism of the police force;
- To ensure the fair, efficient and effective enforcement of the law through the application of a rights-based approach to policing;
- To strengthen the capacity of the national authorities to secure Moldova's the borders and to participate in the fight against organised crime, human trafficking, drugs and armament smuggling, counterfeiting and money laundering;
- To support the implementation of the Visa Facilitation and Readmission Agreements and the sustained implementation of the achievements of the Visa Liberalisation Action Plan;
- To promote and implement the principle of zero-tolerance to corruption and ill-treatment in the police and border management sector.

In addition to sector-related assistance, a complementary provision for capacity development and institution building activities will address the implementation of priority commitments deriving from EU agreements and the dialogue on mobility that are not already covered under the three sectors of concentration. This agreement-driven provision will be especially focused on approximation to EU legislation and technical standards, and complement assistance provided under the Eastern Partnership “Comprehensive Institution Building” (CIB) initiative. Capacity development and institution building activities – either from sector-related assistance or from this complementary provision – may also address participation in EU programmes and in the work of EU agencies.

Additional measures in favour of civil society will be made available under this complementary envelope. Funding from this component will be geared towards supporting the role of civil society in building credible and inclusive policy processes, stronger democratic processes and accountability systems, in other sectors than the priority sectors. This can include measures aiming to promote an enabling environment at all levels for civil society participation in public life, measures to boost domestic transparency and accountability, including of the budgetary process. The development of civil society internal professionalism and capacities, including their capacity to form national associations and networks, and improving the delivery of services will also be targeted.

3. Indicative financial envelope

The indicative bilateral allocation for the programming period 2014-17 is €335,000,000 to €410,000,000. The indicative breakdown by sector is the following:

<i>Sector of Intervention</i>	<i>Indicative amount as % of total</i>	<i>Indicative Timeline</i>
1) Public administration reform	30%	2014-17
2) Agriculture and rural development	30%	2014, 2016, 2017
3) Police reform and border management	20%	2015, 2017
Complementary support:		2014-17
Capacity development and institution building	15%	
Civil society	5%	

In addition to programmed bilateral allocations, the Republic of Moldova may benefit from supplementary allocations provided under the multi-country umbrella programmes referred to in the Neighbourhood-wide programming documents. Such supplementary allocations will be granted on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal.

The Republic of Moldova is also eligible for support under a number of other EU instruments, such as the Instrument Contributing to Peace and Stability, Humanitarian Aid, the Partnership Instrument, the European Instrument for Democracy and Human Rights, the Instrument for Nuclear Safety Co-operation, Macro-Financial Assistance, Development Co-operation Instrument thematic programmes and external actions under EU internal programmes such as the programmes for research and innovation, energy, transport or education (in particular Erasmus +).

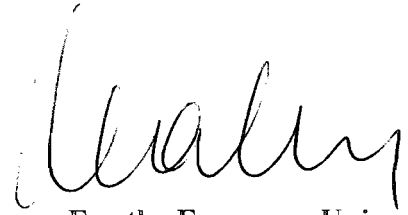
4. Final provisions

Decisions on funding will be subject to availability of funds and authorisation of the EU budgetary authority. They are also subject to the opinion of the relevant ENI Committee.

This Memorandum is not intended to contain any legal obligations and reflects political intent only.

A handwritten signature in black ink, appearing to read 'Ionuț Stancu', written in a cursive style.

For the Republic of Moldova

A handwritten signature in black ink, appearing to read 'Ursula von der Leyen', written in a cursive style.

For the European Union