



2024/0258(COD)

16.1.2025

OPINION

of the Committee on International Trade

for the Committee on Foreign Affairs and the Committee on Budgets

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
(COM(2024)0469 – C10-0127/2024 – 2024/0258(COD))

Rapporteur for opinion: Bogdan Andrzej Zdrojewski

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SHORT JUSTIFICATION

As a result of Russia's illegal and unjustified war of aggression against Ukraine and persistent efforts to destabilise the country, the Republic of Moldova has faced unprecedented challenges to its macroeconomic stability, democratic development and social cohesion in recent years.

Despite these challenges, Moldova has shown commendable resolve and persistence in bringing itself closer to the European Union socially, politically, and economically. Moldova is an important partner for the EU and was granted candidate country status in June 2022. Moldova's accession to the European Union is of high importance for the stability of Europe.

In order to fulfil EU accession requirements Moldova has to undergo reforms in a wide range of sectors, including economic reforms. The economic reforms are closely intertwined with social and political aspects and have the potential to act as a catalyst and enabler for other relevant social and democratic reforms.

The Reform and Growth Facility responds to the European Parliament's calls for greater financial support to the Republic of Moldova, to support the country in its EU accession process and promote its economic convergence with the EU. The Facility will mobilise investments in key areas such as infrastructure, energy, the green and digital transitions, education and skills development.

The Commission proposal lays out a roadmap of how EU financial assistance can have a transformative impact on Moldova's development. However, the rapporteur believes that a more visible strengthening of economic aspects in key areas of the document will be beneficial. In line with the fundamentals of Moldova's accession process to the EU and the Copenhagen criteria, the rapporteur suggests clearly outlining the necessary condition of building a functioning market economy capable of coping with competitive pressure and market forces within the EU into the document.

High inflation, a persistent trade deficit, corruption and weak institutions, poor governance practices, lack of economic diversification, and overreliance on the primary sector have all been identified as complex challenges inhibiting Moldova's economic potential. Addressing these challenges should be among the Reform and Growth Facility's objectives in order to strengthen Moldova's capacity on all levels.

These objectives include but are not limited to: support for SMEs, diversification of the economy, reducing dependency on state enterprises, liberalisation of market access, enforced oversight in the private sector, addressing structural weaknesses, reducing the fiscal deficit, broadening the tax base, and promoting a more innovative and dynamic business environment. By enhancing the economic aspects of the proposal, we can ensure that the financial resources allocated for Moldova's development and capacity building are effectively used across all dimensions.

AMENDMENTS

The Committee on International Trade submits the following to the Committee on Foreign

Affairs and the Committee on Budgets, as the committees responsible:

Amendment 1

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) In addition to boosting socio-economic convergence, the Facility should also help accelerate reforms related to the fundamentals of the enlargement process including rule of law, fundamental rights, inter alia, the rights of refugees, of persons belonging to minorities, including national minorities and Roma, as well as the rights of lesbian, gay, bisexual, transgender and intersex (LGBTI) persons. It should also improve the functioning of democratic institutions and public administrations; public procurement, state aid control and public finance management; the fight against all forms of corruption and organised crime; quality education and training as well as employment policies; the country's green transition, climate and environmental objectives.

Amendment

(13) In addition to boosting socio-economic convergence, the Facility should also help accelerate reforms related to the fundamentals of the enlargement process including rule of law, fundamental rights, inter alia, the rights of refugees, of persons belonging to minorities, including national minorities and Roma, as well as the rights of lesbian, gay, bisexual, transgender and intersex (LGBTI) persons. It should also improve the functioning of democratic institutions and public administrations; public procurement, state aid control and public finance management; the fight against all forms of corruption and organised crime; quality education and training as well as employment policies; the country's green transition, climate and environmental objectives ***and shifting towards a climate-neutral, biodiverse and sustainable economy. It should also help Moldova fulfil the economic criteria of building a functioning market economy capable of coping with competitive pressure and market forces within the Union.***

Amendment 2

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) support progressive integration of Moldova into the Union single market;

Amendment

(b) support progressive integration of Moldova into the Union single market, ***based on the opportunities offered by the***

Amendment 3

Proposal for a regulation

Article 3 – paragraph 2 – point a

Text proposed by the Commission

(a) further strengthen the fundamentals of the enlargement process, including the rule of law and fundamental rights, the functioning of democratic institutions, including de-polarisation, public administration and fulfil the economic criteria; this includes promoting an independent judiciary, reinforcing security and stability, strengthening the fight against fraud and all forms of corruption, including high-level corruption and nepotism, organised crime, cross-border crime and money laundering as well as terrorism financing, tax evasion and tax fraud, tax avoidance; increasing compliance with international law; strengthening freedom and independence of media and academic freedom; combating hate speech; enabling an environment for civil society, fostering social dialogue; promoting gender equality, gender mainstreaming and the empowerment of women and girls, non-discrimination and tolerance, to ensure and strengthen respect for the rights of refugees and persons belonging to minorities, including national minorities and Roma, as well as rights of lesbian, gay, bisexual, transgender and intersex persons;

Amendment

(a) further strengthen the fundamentals of the enlargement process, including the rule of law and fundamental rights, the functioning of democratic institutions, including de-polarisation, public administration and fulfil the economic criteria; this includes promoting an independent judiciary, reinforcing security and stability, strengthening the fight against fraud and all forms of corruption, including high-level corruption and nepotism, ***oligarchic structures and conflicts of interest***, organised crime, cross-border crime and money laundering as well as terrorism financing, tax evasion and tax fraud, tax avoidance; increasing compliance with international law; strengthening freedom and independence of media and academic freedom; combating hate speech; enabling an environment for civil society, fostering social dialogue ***and protecting fundamental labour rights***; promoting gender equality, gender mainstreaming and the empowerment of women and girls, non-discrimination and tolerance, to ensure and strengthen respect for the rights of refugees and persons belonging to minorities, including national minorities and Roma, as well as rights of lesbian, gay, bisexual, transgender and intersex persons ***and other vulnerable groups, such as persons with disabilities; building a functioning market economy capable of coping with competitive pressure and market forces within the Union;***

Amendment 4

Proposal for a regulation

Article 3 – paragraph 2 – point f

Text proposed by the Commission

(f) 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**;

Amendment

(f) accelerate the transition of Moldova to **a functioning**, sustainable, climate-neutral and inclusive economy, that is capable of withstanding competitive market pressures of the Union single market, **stabilising the investment environment and improving its growth potential, including by promoting public and private investments, especially in infrastructure; reducing strategic dependencies; ensuring energy security, including by promoting energy efficiency and renewable energy; supporting the integration of local business in global value chains and improving support for SMEs; gradually reducing the fiscal deficit and improving tax collection; developing a more dynamic business environment; and strengthening labour market opportunities**;

Amendment 5

Proposal for a regulation

Article 3 – paragraph 2 – point g

Text proposed by the Commission

(g) foster economic integration of Moldova with the Union single market, in particular through increased trade and investment flows, and resilient value chains;

Amendment

(g) foster economic integration of Moldova with the Union single market, in particular through **regulatory approximation, market access liberalisation**, trade and investment flows, **improved connectivity**, and resilient value chains;

Amendment 6

Proposal for a regulation

Article 3 – paragraph 2 – point i

Text proposed by the Commission

(i) accelerate the inclusive and sustainable green transition to climate neutrality by 2050, in accordance with the Paris Agreement and the Green Deal and covering all economic sectors, particularly energy, including the transition towards a de-carbonised, climate-neutral, climate-resilient and circular economy, while ensuring that investments respect the ‘do no significant harm’ principle;

Amendment

(i) accelerate the inclusive and sustainable green transition to climate neutrality by 2050 **at the latest**, in accordance with the Paris Agreement and the **Union’s** Green Deal and covering all economic sectors, particularly energy, including the **fair** transition towards a de-carbonised, climate-neutral, climate-resilient and circular economy, while ensuring that investments respect the ‘do no significant harm’ principle;

Amendment 7

Proposal for a regulation

Article 3 – paragraph 2 – point l

Text proposed by the Commission

(l) boost quality education, training, reskilling and upskilling at all levels, with a particular focus on youth, including tackling youth unemployment, preventing brain drain and supporting vulnerable communities, including refugees, and support employment policies, including labour rights, in line with the European Pillar of Social Rights, and fighting poverty.

Amendment

(l) boost quality education, training, reskilling and upskilling at all levels, with a particular focus on youth, including tackling youth unemployment, preventing brain drain and supporting vulnerable communities, including refugees, and support employment policies, including **tackling the gender pay gap and guaranteeing fundamental** labour rights, in line with the European Pillar of Social Rights **and the relevant ILO conventions; reducing income inequalities** and fighting poverty.

Amendment 8

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

4. Support from the Facility shall be additional and complementary to the support provided under other Union

Amendment

4. Support from the Facility shall be additional and complementary to the support provided under other Union

programmes and instruments. Activities eligible for funding under this Regulation may receive support from other Union programmes and instruments provided that such support does not cover the same cost and that appropriate oversight and budget control is ensured. The Commission shall ensure complementarities and synergies between the Facility and other Union programmes, with a view to avoiding the duplication of assistance and double funding.

programmes and instruments, ***including the Union's macro-financial assistance to Moldova***. Activities eligible for funding under this Regulation may receive support from other Union programmes and instruments provided that such support does not cover the same cost and that appropriate oversight and budget control is ensured. The Commission shall ensure complementarities and synergies between the Facility and other Union programmes, ***especially the macro-financial assistance***, with a view to avoiding the duplication of assistance and double funding.

Amendment 9

Proposal for a regulation Article 9 – paragraph 2

Text proposed by the Commission

2. The Reform Agenda shall provide an overarching framework to achieve the general and specific objectives set out in Article 3, setting out the reforms to be undertaken by Moldova, as well as investment areas. The Reform Agenda shall comprise measures for the implementation of reforms through a comprehensive and coherent package. In the areas of the fundamentals of the enlargement process, including the rule of law, the fight against corruption, including high-level corruption, fundamental rights and the freedom of expression, the Reform Agendas shall reflect the assessments in the enlargement policy framework.

Amendment

2. The Reform Agenda shall provide an overarching framework to achieve the general and specific objectives set out in Article 3, setting out the reforms to be undertaken by Moldova, as well as investment areas. The Reform Agenda shall comprise measures for the implementation of reforms through a comprehensive and coherent package. In the areas of the fundamentals of the enlargement process, including the rule of law, the fight against corruption, including high-level corruption, fundamental rights and the freedom of expression, ***as well as the existence of a functioning and sustainable market economy and the capacity to cope with competitive pressure and market forces within the Union***, the Reform Agendas shall reflect the assessments in the enlargement policy framework.

Amendment 10

Proposal for a regulation Article 11 – paragraph 1 – point c

Text proposed by the Commission

(c) an explanation of how the measures are expected to further strengthen the fundamentals of the enlargement process as referred to in Article 3(2), point **(n)**, including the rule of law, fundamental rights **and** the fight against corruption;

Amendment

(c) an explanation of how the measures are expected to further strengthen the fundamentals of the enlargement process as referred to in Article 3(2), point **(a)**, including the rule of law, fundamental rights, the fight against corruption, ***oligarchic structures and conflicts of interest and the establishment of a functioning market economy***;

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur for the opinion declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing the Reform and Growth Facility for the Republic of Moldova
References	COM(2024)0469 – C10-0127/2024 – 2024/0258(COD)
Committee(s) responsible	AFET BUDG
Opinion by Date announced in plenary	INTA 16.12.2024
Rapporteur for the opinion Date appointed	Bogdan Andrzej Zdrojewski 18.11.2024
Rule 59 – Joint committee procedure Date announced in plenary	16.12.2024
Discussed in committee	2.12.2024
Date adopted	16.1.2025
Result of final vote	+: 28 –: 3 0: 5
Members present for the final vote	Manon Aubry, Brando Benifei, Lynn Boylan, Anna Brylka, Markéta Gregorová, Enikő Győri, Karin Karlsbro, Rihards Kols, Bernd Lange, Ilia Lazarov, Thierry Mariani, Javier Moreno Sánchez, Daniele Polato, Majdouline Sbai, Dominik Tarczyński, Kathleen Van Brempt, Catarina Vieira, Iuliu Winkler, Bogdan Andrzej Zdrojewski
Substitutes present for the final vote	Mika Aaltola, Francisco Assis, Petras Auštrevičius, Waldemar Buda, Nina Carberry, João Cotrim De Figueiredo, Barry Cowen, Danilo Della Valle, David McAllister, Branislav Ondruš, Željana Zovko
Members under Rule 216(7) present for the final vote	Gheorghe Cărciu, Henrik Dahl, Michalis Hadjipantela, Sérgio Humberto, Francisco José Millán Mon, Eugen Tomac

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ECR	Rihards Kols, Daniele Polato
PPE	Mika Aaltola, Nina Carberry, Henrik Dahl, Michalis Hadjipantela, Sérgio Humberto, Ilia Lazarov, David McAllister, Francisco José Millán Mon, Iuliu Winkler, Bogdan Andrzej Zdrojewski, Željana Zovko
PfE	Enikő Győri
Renew	Petras Auštrevičius, João Cotrim De Figueiredo, Barry Cowen, Karin Karlsbro, Eugen Tomac
S&D	Francisco Assis, Brando Benifei, Gheorghe Cărciu, Bernd Lange, Javier Moreno Sánchez, Kathleen Van Brempt
Verts/ALE	Markéta Gregorová, Majdouline Sbai, Catarina Vieira

3	-
The Left	Manon Aubry, Lynn Boylan, Danilo Della Valle

5	0
ECR	Waldemar Buda, Dominik Tarczyński
NI	Branislav Ondruš
PfE	Anna Brylka, Thierry Mariani

Key to symbols:

+ : in favour

- : against

0 : abstention