

**National Action Plan  
for the implementation of the RM-EU Association Agreement  
2014-2016**

*(approved by Government Decision on 25 June 2014)*

Art.	Provisions of the Association Agreement	Priorities of the Association Agenda	Implementation measures/activities	Institutions in charge	Implementation term	Financial coverage
<b>TITLE VI: FINANCIAL ASSISTANCE, AND ANTI-FRAUD AND CONTROL PROVISIONS</b>						
<b>CHAPTER I: FINANCIAL ASSISTANCE</b>						
413	The Republic of Moldova shall benefit from financial assistance through the relevant EU funding mechanisms and instruments. The Republic of Moldova may also benefit from loans by the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD) and other international financial institutions. The financial assistance will contribute to achieving the objectives of this Agreement and will be provided in accordance with this Chapter.	The European Union will support the Republic of Moldova in implementing the objectives and priorities set out in the Association Agenda. To do this, it will: use all available sources of EU support; provide expertise and advice; facilitate the sharing of best practices, know-how, and information; and support capacity-building and institutional strengthening.	Sustained efforts for the effective management of the assistance provided by the EU and other development partners, including by revision of the national normative framework in the area (i.e. Regulations on the mechanism of coordination of the external assistance provided to the Republic of Moldova, approved by Government Decision no. 12 as of January 19, 2010).  Strengthening capacities of central and local public authorities to attract the European Union's funds/assistance and to implement projects.	State Chancellery Central and local public authorities	2014-2016	-
414	The main principles of financial assistance shall be set out in the relevant EU Financial Instruments' Regulations.	-	Examination and identification, jointly with the EU side, of a list of community's regulations on financial instruments, appropriate for transposition into the legislation of the RM.	State Chancellery Competent public authorities	Quarter I, 2015	-

415	The priority areas of the EU financial assistance agreed by the Parties shall be laid down in annual action programmes based on multi-annual frameworks which reflect agreed policy priorities. The amounts of assistance established in these programmes shall take into account the Republic of Moldova's needs, sector capacities and progress with reforms, in particular in areas covered by this Agreement.	The EU will provide support in the context of the overall priorities for assistance to the Republic of Moldova, as outlined in the European Neighbourhood Instrument (ENI) Single Support Framework (SSF) and in the multi-country programming prepared for the Republic of Moldova through the ENI.	Ensure effective operation of the domestic mechanism of coordination and establishing priorities for the assistance provided by the EU.	State Chancellery	2014-2016	-
			Correlate the assistance programming process with the medium-term expenditures and/or annual budgets.	Central public authorities	Annually	-
416	In order to permit optimum use of the resources available, the Parties shall endeavour to ensure that EU assistance is implemented in close cooperation and coordination with other donor countries, donor organisations and international financial institutions, and in line with international principles of aid effectiveness.	The EU will also encourage and seek coordination of support from the Republic of Moldova's other partners. It will use its relevant financial instruments to help implement the Association Agenda.	Periodic monitoring of performance of international principles of aid effectiveness at the country level.	State Chancellery	Annually	-
417	The fundamental legal, administrative and technical basis of financial assistance shall be established within the framework of relevant agreements between the Parties.	-	Examine, at the request of one of the parties, the opportunity of updating the current legal framework, established through the Framework Agreement between the Government of Republic of Moldova and the Commission of the European Communities on external assistance (Brussels, 11.05.2006).	State Chancellery Ministry of Foreign Affairs and European Integration	During the process	-
418	The Association Council shall be informed of the progress and implementation of financial assistance and its impact upon	-	Elaborate reports (annual, semi-annual depending on the required periodicity) on monitoring and evaluation of financial assistance.	State Chancellery Central public authorities	Annually	-

	pursuing the objectives of this Agreement. To that end, the relevant bodies of the Parties shall provide appropriate monitoring and evaluation information on a mutual and permanent basis.					
419	The Parties shall implement assistance in accordance with the principles of sound financial management and cooperate in the protection of the financial interests of the EU and of the Republic of Moldova in accordance with Chapter 2 (Anti-Fraud and Control Provisions) of this Title.	-	1. Training national authorities in accordance with the principles of sound financial management and protection of the financial interests of the EU;	State Chancellery Central public authorities	During the process	-
			2. Adjust as necessary the legal and regulatory framework on financial management in accordance with the best practices and the protection of financial interests of the EU and RM.	State Chancellery Central public authorities	During the process	-
<b>CHAPTER 2: ANTI-FRAUD AND CONTROL PROVISIONS</b>						
420	<b>Definitions</b> For the purposes of this Chapter, the following definitions as set out in Protocol IV of this Agreement shall apply.	-	1. Set up a working group at national level in charge of the correct application of the provisions of the Association Agreement on preventing and combating fraud in the management of the EU funds;	Ministry of Foreign Affairs and European Integration	Quarter IV 2014	Within the limit of budget funds and the funds of possible donors
			2. Examine national legislation in order to identify matches of the notions defined in Art. 420 of the Association Agreement with the provisions of national legislation in the area, in particular: - Develop relevant legislative amendments so that the notions of “conflict of interests” and “paid in an inappropriate way” correspond to the international standards in the management of the European funds.	Working group National Commission for Integrity Ministry of Justice National Anti-corruption Centre	Quarter I 2015  2015-2016	
421	<b>Scope</b> This Chapter shall be applicable to any further agreement or financing instrument to be concluded between the Parties, and any other EU financing	-	Examine the opportunity of transposing in domestic legislation the provision on compulsory analysis of compatibility with the principles of Chapter 2, Title VI of the Association Agreement, while concluding agreements with the EU, as well as identifying the legislative amendments required to ensure that these principles are respected in the management of EU funds.	Ministry of Foreign Affairs and European Integration Working group	2015	Project of building the capacities of the Ministry of Foreign

	instrument to which the Republic of Moldova may be associated, without prejudice to any other additional clauses covering audits, on-the-spot checks, inspections, controls, and anti-fraud measures, including, those conducted by the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA).					Affairs and European Integration to manage support programmes in implementing the RM-EU Association Agreement
422	<b>Measures to prevent and fight fraud, corruption and any other illegal activities</b> The Parties shall take effective measures to prevent and fight fraud, corruption and any other illegal activities, inter alia by means of mutual administrative assistance and mutual legal assistance in the fields covered by this Agreement.	-	1. Strengthen professional capacities of the employees of the National Anticorruption Centre and of the Ministry of Interior according to the competences attributed to the area of preventing and combating corruption;	National Anti-corruption Centre Ministry of Interior	Permanently	Within the limit of budget funds and of the funds of possible donors
			2. Adjust the legal framework in order to prevent situations of conflict of interests in the implementation of the EU funds;	National Commission for Integrity and other competent authorities	2014	Within the limit of the assigned budget funds
			3. Set up and implement a mechanism to promote integrity within the justice system.			
423	<b>Exchange of information and further cooperation at operational level</b> 1. For the purposes of proper implementation of this Chapter, the competent authorities of the Republic of Moldova and EU authorities shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations;	Ensuring effective cooperation with and assistance to the relevant EU institutions and bodies, including the European Anti-Fraud Office (OLAF) for on-the-spot checks and inspections related to the management	1. Designate a key partner institution in the Republic of Moldova for cooperation with the European Anti-Fraud Office (OLAF);	National Anti-corruption Centre Ministry of Interior National Commission for Integrity Ministry of Finance	Quarter IV 2014	-
			2. Negotiate and sign an Administrative Agreement on Cooperation with the European Anti-Fraud Office (OLAF) (separately with each institution apart according to the model applied in cooperation with the Customs Service in combating cigarette smuggling, or based on a joint agreement involving all relevant institutions of the RM);		2015-2016	-
			3. Ensure exchange of information with EU institutions in the process of cooperation at the operational level.		During the process	

	<p>2. OLAF may agree with its counterparts of the Republic of Moldova on further cooperation in the field of anti-fraud, including operational arrangements with the authorities of the Republic of Moldova;</p> <p>3. For the transfer and processing of personal data, Article 13 of Title III (Justice, Freedom, and Security) of this Agreement shall apply.</p>	and control of EU funds, to be provided in line with the applicable rules and procedures.				
424	<p><b>Prevention of irregularities, fraud and corruption</b></p> <p>1. The authorities of the Republic of Moldova shall check regularly that the operations financed with the EU funds have been properly implemented. They shall take any appropriate measure to prevent and remedy irregularities and fraud;</p> <p>2. The authorities of the Republic of Moldova shall take any appropriate measure to prevent and remedy any active or passive corruption practices and exclude conflict of interest at any stage of the procedures pertaining to the implementation of EU funds;</p> <p>3. The authorities of the Republic of Moldova shall inform the European Commission of any prevention measure taken;</p>	-	<p>1. Conduct inspections of financial operations with the European funds in the terms agreed upon, in order to ensure their proper management;</p>	<p>Court of Accounts National Anti-corruption Centre Ministry of Interior Ministry of Finance</p>	2014-2016	<p>Budget support in implementing the Action Plan on Visa Liberalisation</p>
			<p>2. Undertake measures to prevent practices of active or passive corruption in the utilization of European funds;</p>	<p>National Anti-corruption Centre Ministry of Interior</p>	2014-2016	<p>Budget support in implementing the Action Plan on Visa Liberalisation</p>
			<p>3. Set up a mechanism of preventing and settling conflicts of interests within the procedures of utilization of European funds. Development of a Guide in the area for the concerned parties;</p>	<p>National Commission for Integrity National Anti-corruption Centre Ministry of Interior</p>	2014-2016	<p>Budget support in implementing the Action Plan on Visa Liberalisation</p>

	<p>4. The European Commission shall be entitled to obtain evidence in accordance with Article 56 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities;</p> <p>5. The European Commission shall also be entitled to obtain evidence that procedures on procurement and grants satisfy the principles of transparency, equal treatment and non-discrimination, prevent any conflict of interest, offer guarantees equivalent to internationally accepted standards and ensure accordance with the provisions of sound financial management;</p> <p>6. To this end, the competent authorities of the Republic of Moldova shall provide the European Commission with any information pertaining to the implementation of EU funds and shall inform it without delay of any substantial change in their procedures or systems.</p>		<p>4. Continue the training of staff from national authorities in prevention of fraud and corruption in the context of implementation of the EU assistance projects;</p>	<p>National Anti-corruption Centre Ministry of Interior Ministry of Finance</p>	<p>2014-2016</p>	<p>Within budget funds and external funds</p>
			<p>5. Elaborate and promote the adoption of a draft Government Decree on the endorsement of Regulation on recording improper influences in order to implement a mechanism of testing professional integrity, under the jurisdiction of the National Anticorruption Centre, applicable including in relation to the utilization of EU funds.</p>	<p>National Anti-corruption Centre</p>	<p>Quarter III and IV 2014</p>	<p>State budget / limit of project possibilities</p>
<p><b>25</b></p>	<p><b>Investigation and prosecution</b> The authorities of the Republic of Moldova shall ensure investigation and prosecution of suspected and actual cases of fraud, corruption or any other irregularity including conflict of interest, following national or EU controls. Where appropriate, OLAF may assist the competent authorities of the Republic of</p>	<p>-</p>	<p>Review of the national regulatory framework with a view to forward proposals of amendments pertaining to investigation and prosecution in cases that imply EU funds and other donors' funds.</p> <p>Develop and promote, as the case may be, the relevant amendments to the national legislation.</p>	<p>Working group National Anti-corruption Centre Ministry of Interior National Commission for Integrity Prosecutor General's</p>	<p>Quarter IV 2014  2015-2016</p>	<p>State budget / limit of project possibilities</p>

	Moldova in this task.			Office		
426	<p><b>Communication of fraud, corruption and irregularities</b></p> <p>1. The authorities of the Republic of Moldova shall transmit to the Commission without delay any information which has come to their notice on suspected or actual cases of fraud, corruption or any other irregularity, including conflict of interest, in connection with the implementation of EU funds. In case of suspicion of fraud and corruption, OLAF shall also be informed;</p> <p>2. The authorities of the Republic of Moldova shall also report on all measures taken in connection with facts communicated under this article. Should there be no suspected or actual cases of fraud, corruption, or any other irregularity to report, the authorities of the Republic of Moldova shall inform the Commission following the end of each calendar year.</p>	Putting in place a functional framework for carrying out effective financial investigations and asset recovery.	<p>1. Develop and promote the adoption of a new draft law, “Law on financial inspection (control)” including the principles of carrying out information exchange with the EU party;</p> <p>2. Set up a contact point and a mechanism for information exchange with the EU, at the institutions in charge of combating fraud, corruption and other violations, including:</p> <p>Set up and implement a mechanism to provide the European Commission with information/evidence pertaining to the prevention of conflicts of interests in the implementation of EU funds, in accordance with Article 56 of the Regulations (EC, Euratom) No 1605/2002 as of June 25, 2002 on financial Regulation applicable to the general budget of the European Communities.</p>	<p>Ministry of Finance</p> <p>National Anti-corruption Centre Ministry of Interior Court of Accounts National Commission for Integrity</p>	<p>2015-2016</p> <p>2015</p>	-
427	<p><b>Audits</b></p> <p>1. The European Commission and the ECA are entitled to examine whether all expenditure pertaining to the implementation of EU funds has been incurred in a lawful and regular manner and whether the financial management has been sound;</p> <p>2. Audits shall be carried out on the basis both of commitments</p>	Ensuring effective cooperation with and assistance to the relevant EU institutions and bodies, including the European Anti-Fraud Office for on-the-spot checks and inspections related to the management and control of EU	<p>Evaluate the regulatory framework in the area with a view to identify the opportunities for the European Commission and the European Court of Auditors to conduct an audit on the territory of the Republic of Moldova related to the implementation of the EU funds.</p> <p>Based on the evaluation, effectuating and promoting the relevant amendments to the national regulatory framework.</p> <p>Develop capacities for cooperation with the European</p>	<p>Court of Accounts Other competent authorities</p>	<p>Quarter I 2015</p> <p>2015-2016</p>	-

	<p>undertaken and payments made. They shall be based on records and, if necessary, performed on-the-spot on the premises of any entity which manages or takes part in the implementation of EU funds. The audits may be carried out before the closure of the accounts for the financial year in question and for a period of five years from the date of payment of the balance;</p> <p>3. Commission inspectors or other persons mandated by the Commission or the ECA may conduct documentary or on-the-spot checks and audits on the premises of any entity which manages or takes part in the implementation of EU funds and of their subcontractors in the Republic of Moldova;</p> <p>4. The Commission or other persons mandated by the Commission or the ECA shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form. This right of access should be communicated to all public institutions of the Republic of Moldova and shall be stated explicitly in the contracts concluded to implement the instruments referred to in this Agreement;</p> <p>5. The checks and audits described above are applicable to all contractors and subcontractors who have</p>	<p>funds, to be provided in line with the applicable rules and procedures.</p>	<p>Commission and the European Court of Auditors in conducting the audit, including by carrying out pilot audit missions on checking the management of the EU funds.</p>		<p>2015-2016</p>	<p>Twinning project of Court of Accounts</p>
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	received EU funds directly or indirectly. In the performance of their tasks, the ECA and the audit bodies of the Republic of Moldova shall cooperate in a spirit of trust while maintaining their independence.					
428	<p><b>On-the-spot checks</b></p> <p>1. Within the framework of this Agreement, the European Anti-Fraud Office (OLAF) shall be authorised to carry out on-the-spot checks and inspections in order to protect the EU's financial interests against fraud and other irregularities in accordance with the provisions of Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996;</p> <p>2. On-the-spot checks and inspections shall be prepared and conducted by OLAF in close cooperation with the competent authorities of the Republic of Moldova;</p> <p>3. The authorities of the Republic of Moldova shall be notified in good time of the object, purpose and legal basis of the checks and inspections, so that they can provide all the requisite help. To that end, the officials of the competent authorities of the Republic of Moldova may participate in the on-the-spot checks and inspections;</p> <p>4. If the authorities of the Republic of Moldova concerned express their interest, the on-the-spot checks and inspections</p>	-	<p>1. Evaluate the regulatory framework in the area with a view to identify the opportunities for the European Anti-Fraud Office to conduct checks on the territory of the Republic of Moldova related to the implementation of the EU funds;</p> <p>2. Based on the evaluation, making and promoting the relevant amendments to the national regulatory framework.</p>	<p>Working group: Ministry of Justice Court of Accounts Ministry of Finance National Anti-corruption Centre Ministry of Interior National Commission for Integrity</p>	2014-2016	-

	<p>may be carried out jointly by OLAF and them;</p> <p>5. Where an economic operator resists an on-the-spot check or inspection, the authorities of the Republic of Moldova shall give OLAF such assistance, as it needs to allow it to discharge its duty in carrying out an on-the-spot check or inspection.</p>					
429	<p><b>Administrative measures and penalties</b></p> <p>Administrative measures and penalties may be imposed by the Commission in accordance with Regulations (EC, Euratom) No 1605/2002 of 25 June 2002 and (EC, Euratom) No 2342/2002 of 23 December 2002 and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests.</p>	-	<p>1. Consultations with the EU side on the applicability in the Republic of Moldova of the sanctions imposed in accordance with EU regulations;</p> <p>2. Examine the opportunity of updating the general framework on the assistance provided by the EU, with a view to transpose the provisions on administrative measures and sanctions applied for the protection of financial interests of the EU.</p>	<p>Ministry of Foreign Affairs and European Integration Working group</p>	<p>Quarter IV 2014</p> <p>2015</p>	-
430	<p><b>Recovery</b></p> <p>1. The authorities of the Republic of Moldova shall take any appropriate measure to recover EU funds unduly paid;</p> <p>2. Where the authorities of the Republic of Moldova are entrusted with the implementation of EU funds, the European Commission is entitled to recover EU funds unduly paid, in particular through financial corrections. The European Commission shall take into account the measures taken by the authorities of the Republic of</p>	-	<p>1. Examine the national legislative framework with a view to identify opportunities to implement proper remedies to recover the EU funds paid inappropriately;</p> <p>2. Develop and promote the adoption of relevant amendments to the national legislative framework in order to enable the recovery of funds in accordance with the practices established in the EU.</p>	<p>Working group: Ministry of Justice Prosecutor General's Office National Anti-corruption Centre Ministry of Interior Ministry of Finance</p>	2014-2016	Within budget funds

<p>Moldova to prevent the loss of the EU funds concerned;</p> <p>3. The European Commission shall consult with the Republic of Moldova on the matter before taking any decision on recovery. Disputes on recovery will be discussed in the Association Council;</p> <p>4. Where the European Commission implements EU funds directly or indirectly by entrusting budget implementation tasks to third parties, decisions taken by the Commission within the scope of this Title of this Agreement, which impose pecuniary obligation on persons other than States, shall be enforceable in the Republic of Moldova in accordance with the following principles:</p> <p>(a) Enforcement shall be governed by the rules of civil procedure in force in the Republic of Moldova. The order for its enforcement shall be appended to the decision, without other formality than verification of the authenticity of the decision, by the national authority which the government of the Republic of Moldova shall designate for this purpose and shall make known to the European Commission and to the Court of Justice of the European Union;</p> <p>(b) When these formalities have been completed on application by the party</p>					
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	<p>concerned, the latter may proceed to enforcement in accordance with the legislation of the Republic of Moldova, by bringing the matter directly before the competent authority;</p> <p>(c) Enforcement may be suspended only by a decision of the Court. However, the courts of the Republic of Moldova concerned shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.</p> <p>5. The enforcement order shall be issued, without any further control than verification of the authenticity of the act, by the authorities designated by the government of the Republic of Moldova. Enforcement shall take place in accordance with the rules of procedure of the Republic of Moldova. The legality of the enforcement decision shall be subject to control by the Court of Justice of the European Union;</p> <p>6. Judgments given by the Court of Justice of the European Union pursuant to an arbitration clause in a contract within the scope of this Chapter shall be enforceable on the same terms.</p>					
431	<p><b>Confidentiality</b> Information communicated or acquired in any form under this Chapter shall be covered by professional secrecy and protected in the same way as similar information is protected</p>	-	<p>1. Examine the national legislative framework with a view to identify opportunities to implement proper measures to ensure respect of the principle of confidentiality in the management of the EU funds (i.e. if such information can be qualified as commercial secret);</p> <p>2. Develop and promote the adoption of relevant amendments to</p>	<p>Working group</p> <p>Ministry of Justice</p>	-	-

	by the law of the Republic of Moldova and by the corresponding provisions applicable to the EU institutions. Such information may not be communicated to persons other than those in the EU institutions, in the Member States or in the Republic of Moldova whose functions require them to know it, nor may it be used for purposes other than to ensure effective protection of the Parties' financial interests.		the national legislative framework.			
432	<b>Approximation of legislation</b> The Republic of Moldova shall carry out approximation of its legislation to the EU acts and international instruments referred to in Annex XXXV to this Agreement according to the provisions of that Annex.	-	See the measures provided for in Art. 414.	-	-	-
432	<b>Convention of July 26, 1995</b> , on the protection of the European Communities' financial interests, drawn up on the basis of Article K.3 of the Treaty on European Union  The following provisions of the abovementioned convention shall apply: – Article 1 – General provisions, definitions. – Article 2 paragraph (1) – The Republic of Moldova shall undertake the measures required to ensure that the conduct referred to in Article 1, and participating in and instigating to or attempting the conduct referred to in Article 1 paragraph (1) are subject to effective, proportionate and dissuasive criminal sanctions. – Article 3 – Criminal liability of company managers.		Revision of the national legal framework, including the Law No. 90 as of April 25, 2008, on preventing and combating corruption and the Criminal Code of the RM, with regard to the correspondence with the provisions of the Convention on the protection of the European Communities' financial interests.	National Anti-corruption Centre Ministry of Interior	-	State budget or within the limits of possibilities , external assistance projects

432	<b>Protocol to the Convention on the protection of the European Communities' financial interests.</b>	<b>2.1 Political dialogue and reform</b>	Revision of the national legal framework, including the Law No. 90 as of April 25, 2008, on preventing and combating corruption and the Criminal Code of the RM, with regard to the correspondence with the provisions of the Convention on the protection of the European Communities' financial interests.	National Anti-corruption Centre Ministry of Interior	2014-2015	State budget or within the limits of possibilities , external assistance projects
432	<b>2<sup>nd</sup> Protocol to the Convention on the protection of the European Communities' financial interests</b>		Revision of the national legal framework, including the Law No. 90 as of April 25, 2008, on preventing and combating corruption and the Criminal Code of the RM, with regard to the correspondence with the provisions of the 2 <sup>nd</sup> Protocol to the Convention on the protection of the European Communities' financial interests..	National Anti-corruption Centre	2014-2015	State budget or within the limits of possibilities , external assistance projects
	The following provisions of the abovementioned protocol shall apply: – Article 1 paragraph (1) subparagraph (c) and Article 1 paragraph (2) – Relevant definitions; – Article 2 – Passive corruption; – Article 3 – Active corruption; – Article 5 paragraph (1) – The Republic of Moldova shall undertake the measures required to ensure that the conduct referred to in Articles 2 and 3, and participating in and instigating to or attempting the conduct in question are subject to effective, proportionate and dissuasive criminal sanctions; – Article 7, to the extent that it refers to Article 3 of the Convention.	1. Further reforming the justice sector, in particular ensuring the independence, impartiality, professionalism and efficiency of the judiciary, the prosecution, and law enforcement agencies, which should be free from political or any other undue interference, and intensifying the fight against corruption. 2. Ensuring the full functioning of the National Anticorruption Centre, including by taking part in international cooperation against corruption.				
	The following provisions of the abovementioned protocol shall apply: – Article 1 – Definition; – Article 2 – Money laundering; – Article 3 – Liability of legal entities; – Article 4 – Sanctions applicable to legal entities; – Article 12, to the extent that it refers to Article 3 of the Convention.					