



## **MEMORANDUM OF UNDERSTANDING**

### **between the Republic of Moldova and the European Union on the association of the Republic of Moldova to the the Seventh Framework Programme of the European Community for research, technological development and demonstration activities**

**(2007-2013)**

The Government of Moldova on behalf of the Republic of Moldova, hereinafter referred to as Moldova,

on the one part, and

the European Commission, hereinafter referred to as 'the Commission', on behalf of the European Union, hereinafter referred to as 'the EU',

on the other part,

hereinafter jointly referred to as “the Parties”.

#### **WHEREAS:**

- (1) The Protocol to the Partnership and Cooperation Agreement between the Republic of Moldova, of the one part, and the European Communities and their Member States, of the other part, on a Framework Agreement between the European Union and the Republic of Moldova on the general principles for the participation of Moldova in Union programmes (hereinafter called 'the Protocol'), stipulates in Article 5 that the specific terms and conditions, including the financial contribution, with regard to such participation in each particular programme shall be determined by the Commission and the competent authorities of the Republic of Moldova.

The Protocol is being provisionally applied between the Parties.

- (2) The European Parliament and the Council adopted on 18 December 2006 Decision No 1982/2006/EC concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) <sup>1</sup> (hereinafter called 'the Seventh EC Framework Programme').

---

<sup>1</sup> OJ L 412, 30.12.2006, p.1

HAVE AGREED AS FOLLOWS:

## **Article 1**

### **Research programmes**

Moldova shall participate in the Seventh EC Framework Programme including its specific programmes and subject to the rules for participation listed below:

Council Decision No 2006/971/EC of 19 December 2006 concerning the specific programme Cooperation implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013);<sup>2</sup>

Council Decision No 2006/972/EC of 19 December 2006 concerning the specific programme Ideas implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013);<sup>3</sup>

Council Decision No 2006/973/EC of 19 December 2006 concerning the specific programme People implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013);<sup>4</sup>

Council Decision No 2006/974/EC of 19 December 2006 concerning the specific programme Capacities implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013);<sup>5</sup>

Council Decision No 2006/975/EC of 19 December 2006 concerning the specific programme to be carried out by means of direct actions by the Joint Research Centre under the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013);<sup>6</sup>

Regulation (EC) No 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013).<sup>7</sup>

## **Article 2**

### **Terms and conditions with respect to participation in the programmes**

1. Moldova shall participate in the activities of the Seventh EC Framework Programme in accordance with the conditions laid down in the Framework Agreement and in conformity with the objectives, terms and conditions specified in this Memorandum of Understanding and the Annexes thereto.

---

<sup>2</sup> OJ L 400, 30.12.2006, p.86

<sup>3</sup> OJ L 400, 30.12.2006, p.243

<sup>4</sup> OJ L 400, 30.12.2006, p.270

<sup>5</sup> OJ L 400, 30.12.2006, p.299

<sup>6</sup> OJ L 400, 30.12.2006, p.368

<sup>7</sup> OJ L 391, 30.12.2006 p.1

If the EU adopts provisions for the implementation of Articles 185 and 187 of the Treaty on the Functioning of the European Union, Moldova shall be allowed to participate in the legal structures created under these provisions, subject to the decisions and regulations that will be adopted for the establishment of these legal structures, and provided that these decisions and regulations will become applicable in Moldova. The Joint Committee shall decide on the applicability of these decisions and regulations in Moldova.

2. Legal entities established in Moldova shall participate in indirect actions of the Seventh EC Framework Programme under the same conditions as those applicable to the legal entities of Member States of the European Union, subject to the terms and conditions established by, or referred to, in this Memorandum of Understanding and as specified in Annex I.
3. In order to participate in the Seventh EC Framework Programme, Moldova shall pay its financial contribution to the budget of the European Union in accordance with Article 3 hereunder and with Annex II.
4. Representatives of Moldova shall participate, as observers and for points which concern Moldova, in the management committees responsible for monitoring the specific programmes under the Seventh EC Framework Programme to which Moldova contributes financially.

These committees shall meet without the presence of representatives of Moldova at the time of voting. Moldova will be informed of the result.

Participation as referred to in this paragraph shall take the same form, including procedures for receipt of information and documentation, as that applicable to representatives from Member States of the European Union.

5. Representatives of Moldova shall participate as observers in the Board of Governors of the Joint Research Centre.<sup>8</sup>

Participation as referred to in this paragraph shall take the same form, including procedures for receipt of information and documentation, as that applicable to representatives from Member States of the European Union.

6. Travel costs and subsistence costs incurred by representatives of Moldova participating in meetings of the committees and bodies referred to in this Memorandum of Understanding, or in meetings related to the implementation of the Seventh EC Framework Programme or of this Memorandum of Understanding, shall be reimbursed by the Commission on the same basis as, and in accordance with the procedures currently in force for, representatives of the Member States of the European Union.
7. One of the official languages of the EU shall be used for the procedures related to requests, grant agreements and/or contracts and reports, as well as for other administrative aspects of the Seventh EC Framework Programme.

---

<sup>8</sup> OJ L 107, 30.4.1996, p.12

**Article 3**  
**Financial contribution of Moldova**

1. The rules governing the calculation and the payment of the financial contribution of Moldova are set out in Annex II.
2. The financial contribution of Moldova shall be added to the amount earmarked each year in the budget of the European Union for commitment appropriations to meet the financial obligations arising out of different forms of measures necessary for the implementation, management and operation of the Seventh EC Framework Programme.
3. Moldova shall pay for each remaining year of the Seventh EC Framework Programme, as from 1 January 2012, a financial contribution to the budget of the European Union.

**Article 4**  
**Monitoring and Evaluation**

1. Without prejudice to the responsibilities of the Commission and the Court of Auditors of the European Union in relation to the monitoring and evaluation of the Seventh EC Framework Programme, the participation of Moldova in the Seventh EC Framework Programme shall be continuously monitored on a partnership basis involving the Commission and Moldova.
2. The rules concerning financial control, recovery and other antifraud measures are laid down in Annex III.

**Article 5**  
**Intellectual property rights**

1. 'Intellectual property' has the meaning given in Article 2 of the Convention establishing the World Intellectual Property Organisation, done at Stockholm on 14 July 1967.
2. Intellectual Property Rights created or furnished under this Memorandum of Understanding shall be allocated in accordance with the Seventh EC Framework Programme Rules for Participation and the provisions of the Seventh EC Framework Programme model grant agreements.

**Article 6**  
**Final provisions**

1. This Memorandum of Understanding can be terminated by either Party at any time during the duration of the Seventh EC Framework Programme by a written notice informing of the intent to terminate it. Termination shall take effect three calendar months after the date of the written notice.

2. Projects and activities in progress at the time of termination and/or expiry of this Memorandum of Understanding shall continue until their completion under the conditions laid down in this Memorandum of Understanding.
3. The Annexes form an integral part of this Memorandum of Understanding.
4. This Memorandum of Understanding may only be amended in writing by common consent of the Parties.
5. Moldova's association to the subsequent multi-annual programme, if Moldova so requests, shall be the subject of a new Memorandum of Understanding to be agreed among the Parties.

**Article 7**  
**Entry into force**

1. This Memorandum of Understanding shall be applied from 1 January 2012 until the termination of the Seventh EC Framework Programme.
2. This Memorandum of Understanding shall enter into force on 1 January 2012, provided that Moldova has notified the Commission that all necessary internal conditions for entry into force of this Memorandum of Understanding have been fulfilled in Moldova.

Done in Brussels on 11 October 2011, in two originals, in the State language of Moldova and in English, each of those texts being equally authentic.

*For the Republic of Moldova*

*For the European Commission*

*Gheorghe Duca*  
*President of the Academy*  
*of Sciences of Moldova*

*Máire Geoghegan-Quinn*  
*Commissioner for Research,*  
*Innovation and Science*

## ANNEX I

### **Terms and conditions for the participation of legal entities of Moldova in the Seventh EC Framework Programme**

1. For the purposes of the association of Moldova to the Seventh EC Framework Programme, a legal entity of Moldova is defined as any natural person or any legal person established in Moldova under national law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations. In the case of natural persons, references to establishment are deemed to refer to habitual residence.
2. Participation of legal entities of Moldova in the Seventh EC Framework Programme shall follow the conditions laid down for legal entities being established in an 'associated country' as specified in the rules for participation.

Legal entities established in Moldova shall be eligible for participation in indirect actions based on Articles 185 and 187 of the Treaty on the Functioning of the European Union under the same conditions as legal entities established in the Member States.

Legal entities established in Moldova shall be eligible, under the same conditions as legal entities established in the Member States, for loans the EIB makes in support of research objectives set out under the Seventh EC Framework Programme (Risk-Sharing Finance Facility).

A legal entity established in another country associated to the Seventh EC Framework Programme (associated country) enjoys the same rights and obligations under this Memorandum of Understanding as legal entities that are established in a Member State, provided that this associated country in which the entity is established has also agreed to award legal entities from other associated countries the same rights and obligations.

3. Legal entities of Moldova shall be taken into consideration on the basis of appropriate skills and knowledge, alongside those of the EU, for the selection of independent experts for the tasks, and under the conditions set out in the rules for participation.
4. In conformity with the rules for participation in the Seventh EC Framework Programme and the EU's Financial Regulation, grant agreements and/or contracts concluded by the EU with any legal entity of Moldova in order to perform an indirect action shall provide for controls and audits to be carried out by, or under the authority of, the Commission, including the European Anti Fraud Office (hereinafter called OLAF), and the European Court of Auditors. In a spirit of cooperation and mutual interest, the relevant Authorities of Moldova shall provide any reasonable and feasible assistance as may be necessary or helpful or requested under the circumstances to perform such controls and audits.
5. The Parties will make every effort, within the framework of the existing provisions, to facilitate the free movement and residence of research workers participating in the activities covered by this Memorandum of Understanding and to facilitate cross-border movement of goods and services intended for use in such activities.
6. Moldova will take all necessary measures, as appropriate, to ensure that goods and services, purchased in Moldova or imported into Moldova, which are partially or entirely financed pursuant to the grant agreements and/or contracts concluded for the

realisation of the activities under this Memorandum of Understanding, are exempted from customs duties, import duties and other fiscal charges, including VAT, that are applicable in Moldova.

7. A joint committee shall be established under this Memorandum of Understanding, to be named 'EU - Moldova Research Committee', the functions of which shall include:
  - Reviewing, evaluating and discussing measures to ensure the implementation of this Memorandum of Understanding,
  - Examining any measure of a nature to improve and develop cooperation.

The Committee, which shall be composed of representatives of the Commission and of Moldova, shall adopt its rules of procedure.

It shall meet at the request of any of the Parties and at least once a year.

8. For the purpose of participation in the Seventh EC Framework programme, the Committee may identify, on the request of Moldova, the eligible regions in Moldova that fulfil the criteria set out in Article 5(1) of Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, and which may therefore be eligible regions benefiting from research actions under the 'Research Potential' work programme under the 'Capacities' specific programme.

## ANNEX II

### Rules governing the financial contribution of Moldova to the Seventh EC Framework Programme

#### **I. Calculation of Moldova's financial contribution**

1. The financial contribution of Moldova to the Seventh EC Framework Programme in 2012 and 2013 shall be established in proportion to, and in addition to, the amount available that year in the annual budget of the EU for commitment appropriations needed for the implementation, management and operation of the Seventh EC Framework Programme.
2. The proportionality factor governing the contribution of Moldova shall be obtained by establishing the ratio between the gross domestic product of Moldova, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union.

This ratio shall be calculated on the basis of the latest statistical data pertaining to the same year from the Statistical Office of the European Union (Eurostat), available at the time of publication of the draft annual budget of the EU. However, for the years following the first year of association to the Seventh EC Framework Programme, the gross domestic product of Moldova will be calculated at the same growth rate as the gross domestic product of the Member States of the European Union.

3. In order to facilitate its participation in the specific programmes, the contribution of Moldova will be implemented for the respective financial years as follows:
  - Financial year 2012: contribution according to the proportionality factor fixed in accordance with paragraph 2, multiplied by 0.20;
  - Financial year 2013: contribution according to the proportionality factor fixed in accordance with paragraph 2, multiplied by 0.25;
4. The Commission shall communicate to Moldova, as soon as possible and at the latest on 1 September of the year before each financial year, the following information together with relevant background material:
  - the amounts in commitment appropriations in the statement of expenditure of the draft annual budget of the EU corresponding to the Seventh EC Framework Programme;
  - the estimated amount of the contributions derived from the draft annual budget, corresponding to the participation of Moldova in the Seventh EC Framework Programme according to paragraphs 1, 2 and 3 above.

Once the annual budget has been finally adopted, the Commission shall communicate to Moldova, in the statement of expenditure corresponding to Moldova's participation, the final amounts referred to in the first subparagraph.



## **II. Payment of Moldova's financial contribution**

1. The Commission shall issue, at the latest on 30 January and on 15 June of each financial year, a call for funds to Moldova corresponding to its contribution under this Memorandum of Understanding.
2. These calls for funds shall provide, respectively, for the payment of:  
six-twelfths of Moldova's contribution not later than 15 March; and  
six-twelfths of Moldova's contribution not later than 20 July.  
However, the six-twelfths to be paid not later than 15 March shall be calculated on the basis of the amount set out in the statement of expenditure of the draft annual budget: the regularisation of the amount thus paid shall be made with the payment of the six-twelfths not later than 20 July.
3. In the last year of the Seventh EC Framework Programme, the full amount of Moldova's contribution shall be paid not later than 20 July.
4. The contribution of Moldova shall be expressed and paid in euros.
5. Payment by Moldova shall be credited to the EU programmes as budget receipts allocated to the appropriate budget heading in the statement of revenue of the annual budget of the EU. The Financial Regulation applicable to the annual budget of the EU shall apply to the management of the appropriations.
6. Moldova shall pay its contribution under this Memorandum of Understanding as specified in point II, 2 of Annex II.

Any delay in the payment of the contribution shall give rise to the payment of default interest by Moldova on the outstanding amount from the due date. The interest rate for amounts receivable not paid on the due date shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the due date falls, increased by three and a half percentage points.

In case the delay in the payment of the contribution is such that it may significantly jeopardise the implementation and management of the programmes, participation of Moldova in the Seventh EC Framework Programme will be suspended by the Commission following the absence of payment 20 working days after a formal letter of reminder, without prejudice to the EU's obligations according to grant agreements and/or contracts already concluded pertaining to the implementation of selected indirect actions.

7. At the latest on 31 May of the year following a financial year, the statement of appropriations for the Seventh EC Framework Programme of that financial year shall be prepared and transmitted to Moldova for information, according to the format of the Commission's revenue and expenditure account.
8. The Commission, at the time of the closure of the accounts relating to each financial year, within the framework of the establishment of the revenue and expenditure

account, shall proceed to the regularisation of the accounts with respect to the participation of Moldova.

This regularisation shall take into consideration modifications which have taken place, either by transfer, cancellations, carry-overs, de-commitments, or by supplementary and amending budgets during the financial year.

This regularisation shall occur at the time of the second payment for the next financial year. Further regularisation shall occur every year until July 2016.

## ANNEX III

### **FINANCIAL CONTROL, RECOVERY AND OTHER ANTIFRAUD MEASURES**

#### **I. CONTROLS AND ANTIFRAUD MEASURES BY THE EU**

1. In accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>9</sup>, and Commission Regulation No 2342/2002 of 23 December 2002<sup>10</sup> laying down detailed rules for the implementation of the Financial Regulation and any future amendments (hereafter called Financial Regulation), Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995<sup>11</sup> on the protection of the European Communities financial interests and with the other rules referred to in this Memorandum of Understanding, the grant agreements and/or contracts concluded with beneficiaries of the programmes established in Moldova, shall provide for financial or other audits to be conducted at any time on the premises of the beneficiaries and of their subcontractors by Commission agents or by other persons mandated by the Commission.
2. Commission agents and other persons mandated by the Commission 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 shall be stated explicitly in the grant agreements and/or contracts concluded to implement the instruments referred to in this Memorandum of Understanding. The European Court of Auditors shall have the same rights as the Commission.
3. On the basis of this Memorandum of Understanding, the Commission, including OLAF, shall be authorised to carry out on-the-spot checks and inspections on Moldova's territory, in accordance with the procedural provisions of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996<sup>12</sup>, in order to protect the EU's financial interests against fraud and other irregularities, and in accordance with Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>13</sup>.

These checks and inspections shall be prepared and conducted in close collaboration with the competent authorities as designated by Moldova, which shall be notified in good time of the subject, purpose and legal basis of the checks and inspections so that they can provide all the requisite help.

If the Moldovan authorities concerned so wish, the on-the-spot checks and inspections may be carried out jointly with them.

Where the participants in the programmes resist an on-the-spot check or inspection, the Moldovan authorities, acting in accordance with national rules, shall give the Commission, including OLAF, inspectors such assistance as they need to allow them to discharge their duty in carrying out an on-the-spot check or inspection.

---

<sup>9</sup> OJ L 248, 16.9.2002, p.1

<sup>10</sup> OJ L 357, 31.12.2002, p.1,

<sup>11</sup> OJ L 312, 23.12.1995, p.1

<sup>12</sup> OJ L 292, 15.11.1996, p.2

<sup>13</sup> OJ L 136, 31.5.1999, p.1

The Commission, including OLAF, shall report as soon as possible to the Moldovan authorities any fact or suspicion relating to an irregularity which has come to its notice in the course of the on-the-spot check or inspection. In any event the Commission, including OLAF, shall be required to inform the above-mentioned authority of the result of such checks and inspections.

## **II. INFORMATION AND CONSULTATION**

1. For the purposes of proper implementation of this Annex, the competent Moldovan and EU authorities shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations.
2. The competent Moldovan authorities shall inform the Commission without delay of any irregularity or any suspicion thereof, as regards the conclusion or implementation of the grant agreements and/or contracts concluded under this Memorandum of Understanding and implementation of the grant agreements and/or contracts concluded in application of the instruments referred to in this Memorandum of Understanding.

## **III. ADMINISTRATIVE MEASURES AND PENALTIES**

Without prejudice to the application of Moldova's criminal law, administrative measures and penalties may be imposed by the Commission in accordance with the Financial Regulation.

Appropriate measures shall also be taken by Moldova to prevent irregularities and fraud, and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used.

Moldova shall also take all necessary measures to ensure that the European Commission, OLAF and the European Court of Auditors are granted powers to carry out financial control and audits by or under their authority, with regard to beneficiaries or contractors established in Moldova.

## **IV. RECOVERY**

Decisions taken by the Commission within the scope of this Memorandum of Understanding which impose a pecuniary obligation on persons other than States shall be enforceable in Moldova. The enforcement shall be governed by the Moldovan rules of civil procedure. 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 Moldova shall designate for this purpose and shall make known to the Commission. When these formalities have been completed on application by the Commission, the latter may proceed to enforcement in accordance with the national law, by bringing the matter directly before the competent authority.

The legality of the Commission decision shall be subject to control by the Court of Justice of the European Union.

Judgments given by the Court of Justice of the European Union pursuant to an arbitration clause in a grant agreement and/or contract within the scope of this Memorandum of Understanding shall be enforceable on the same terms.

**V. DIRECT COMMUNICATION**

The Commission shall communicate directly with any participant in the Seventh EC Framework Programme established in Moldova and with their subcontractors. They may submit directly to the Commission all relevant information and documentation which they are required to submit on the basis of the instruments referred to in this Memorandum of Understanding and of the grant agreements and/or contracts concluded to implement them.